

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2017

VOLUME I



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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Official Roster
June 30, 2017**

Administrative Officials

Christopher Ruszkowski	Secretary of Education
Hipolito Aguilar	Deputy Secretary, Finance & Operations
Matthew Montano	Deputy Secretary, Policy and Program
Marian Rael	Director, Administrative Services Division, CFO
Amelia Saiz	Audit and Accounting Bureau Chief
David Craig	Director, School Budget & Finance Analysis Bureau
Antonio Ortiz	Director, Capital Outlay Bureau
Vacant	Director, Educator Quality Division
Vacant	Director, Accountability & Assessment
Katie Poulos	Director, Parent Options
Latifah Phillips	Assistant Secretary, Indian Education Division
Matt Pahl	Policy Director
Denise Koscielniak	Director, Federal Programs
John Kraman	Chief Information Officer
Vacant	Director, Strategic Initiatives and Constituent Services
Lida Alikhani	Public Information Officer
Eileen Marrujo	Deputy Director, Division of Vocational Rehabilitation Administrative Services Unit
Joe Cordova	Director, Division of Vocational Rehabilitation
Adrian Apodaca	Deputy Director, DVR Rehabilitation Services
Kent DeYoung	Chief Financial Officer, Division of Vocational Rehabilitation

Public Education Commission

Ricard Caballero	Commissioner	Albuquerque	District 1
David Robbins	Commissioner	Albuquerque	District 2
Carmie Lynn Toulouse	Commissioner	Albuquerque	District 3
Karyl Ann Armbruster	Commissioner	Los Alamos	District 4
James Conyers	Commissioner	Bloomfield	District 5
Patricia Gipson	Chair	Las Cruces	District 7
Gilbert G. Peralta	Vice Chair	Socorro	District 6
Danielle Johnston	Commissioner	Moriarty	District 8
Trish Ruiz	Chairperson	Artesia	District 9
Tim Crone	Commissioner	Eagle Nest	District 10

INDEPENDENT AUDITOR'S REPORT

To Christopher Ruszkowski, Secretary of Education
New Mexico Public Education Department
and Mr. Wayne A. Johnson
New Mexico State Auditor

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each discretely presented component unit (New Mexico state chartered charter schools), each major fund, fiduciary and agency funds and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the New Mexico Public Education Department ("Department"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Summary of Opinions

Opinion Unit	Type of Opinion
All Governmental Activities Funds	Unmodified
Fiduciary Funds	Unmodified
Discretely Presented Component Unit and its Funds:	
La Promesa	Modified
Cariños De Los Ninos	Disclaimer
Each Remaining and Aggregate Discretely Presented Component Unit	Unmodified

Basis for Disclaimer of Opinion on Cariños de los Ninos Charter School, a Discretely Presented Component Unit, and its Funds

Management of Cariños de los Ninos Charter School was unable to provide sufficient evidential matter in support of certain transactions and account balances, as presented in the Cariños de los Ninos Charter School financial statements and the related fund financial statements as of and for the year ended June 30, 2017. We were unable to satisfy ourselves by other auditing procedures concerning these reported balances for Cariños de los Ninos Charter School as a whole and its individual funds. Most notably, we noted that capital asset amounts are not properly supported, cash was not properly reconciled at year-end, journal entries are being posted to fund balance without adequate supporting documentation, and it is unclear if fund balance has been properly rolled forward from prior fiscal years. Because of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of the balances reported on the Cariños de los Ninos Charter School financial statements.

Disclaimer of Opinion on Cariños de los Ninos Charter School and its Funds

Because of the significance of the matters described in the “Basis for Disclaimer of Opinion on Cariños de los Ninos Charter School, a Discretely Presented Component Unit, and its Funds” paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements of Cariños de los Ninos Charter School or its related funds.

Basis for Modified Opinion on the Statement of Activities, Revenues, Expenditures and Changes in Fund Balance for La Promesa Early Learning Center, a Discretely Presented Component Unit, and its Funds

Management of La Promesa Early Learning Center was unable to provide sufficient evidential matter in support of beginning balance sheet account balances. Additionally, management was unable to provide sufficient evidential matter regarding the proper cutoff of accrued liabilities, payables and receivables as of June 30, 2016. The significant aspects of the balance sheet account as of June 30, 2016, including classification and amounts, affect the determination of the related revenues and expenditures included in the Statement of Activities, Revenues, Expenditures and Changes in Fund Balance for the year ended June 30, 2017. Because of the matters, we were unable to apply other auditing procedures to provide evidence to verify the fairness of presentation of the Statement of Activities, Revenues, Expenditures and Changes in Fund Balances.

Modified Opinion on the Statement of Activities, Revenues, Expenditures and Changes in Fund Balance for La Promesa Early Learning Center and its Funds

In our opinion, except for the effects of the matter described in the “Basis for Modified Opinion on La Promesa Early Learning Center, Discretely Presented Component Unit, and its Funds” the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the aggregate remaining fund information of La Promesa Early Learning Center, as of June 30, 2017, the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified 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 discretely presented component unit (New Mexico state chartered charter schools), each major fund, fiduciary and agency funds, the aggregate discretely presented components units, and remaining fund information of the Department, as of June 30, 2017, the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Department are intended to present the financial position and changes in financial position of only that portion of the governmental activities of the State of New Mexico that is attributable to the transactions of the Department. They do not purport to, and do not present fairly the financial position of the State of New Mexico as of June 30, 2017, and the changes in its position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 20 and 21, the beginning balance of net position for the Department and the discretely presented component units has been restated due to changes in accounting principle and correction of errors, respectively. The restatement resulted in the decrease in the net position of \$1,000,000 for the department and increase in the net position of \$1,005,815 for the discretely presented component units.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 13-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The Schedule of Expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the combining schedules, other schedules required by Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2017 on our consideration of the Department'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 Department's internal control over financial reporting and compliance.



Albuquerque, New Mexico
November 22, 2017

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis
Year Ended June 30, 2017**

The following management's discussion and analysis (MD&A) provides an overview of the State of New Mexico Public Education Department (Department) financial activities for the fiscal year ended June 30, 2017. The MD&A is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Department's financial activity, (c) identify changes in the Department's financial position, (d) identify any material deviation from the financial plan (the approved budget) and (e) identify any financial issues or concerns. Please read it in conjunction with the Department's financial statements, which begin following this analysis.

Department Highlights

The Department is made up of 2 distinct appropriated entities and 63 discretely presented component units: the Public Education Department, the Division of Vocational Rehabilitation, and 63 state authorized chartered schools. The Public Education Department (PED) provides leadership at the state and department levels in meeting the needs of and requirements for education in New Mexico. This includes providing assistance and direction to local school districts, local boards of education and other educational entities.

The Division of Vocational Rehabilitation (DVR) is responsible for the administration and provision of all DVR programs and services through nine areas and twelve satellite offices statewide. This also includes the administration of the Social Security Disability Determination Services federal program.

The 63 state authorized chartered schools are to provide an alternative educational setting to parents and students in the public school system. State authorized chartered schools provide an opportunity to create new, innovative and more flexible ways of educating children.

In September 2003, New Mexico voters approved a constitutional amendment changing the nature of the Department. The 15-member State Board of Education was replaced by the elected 10-member Public Education Commission, whose authority and duties were defined by laws enacted by the New Mexico State Legislature during the 2004 Regular Session. The Superintendent of Public Instruction, appointed by the State Board of Education, was replaced by the Secretary of Public Education, a cabinet secretary appointed by the governor and confirmed by the New Mexico Senate. The State Public Education Department was replaced by the Public Education Department as a cabinet-level department of the executive branch of government.

Another constitutional amendment, also approved by the voters in September 2003, increased the distribution from the State Land Grant Permanent Fund to be used to implement and maintain educational reforms passed by the state legislature.

Using the Annual Report

The Department's Basic Financial Statements (BFS) are presented in four parts, in the following order:

1. Department-wide Financial Statements,
2. Fund Financial Statements,
3. Budgetary Comparison Statements, and
4. Notes to the Basic Financial Statements.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Department-wide Financial Statement: The department-wide financial statements include the first two financial statements: the Statement of Net Position and the Statement of Activities. These statements report information on all of the financial activities and resources of the Department as a whole except for information applicable to fiduciary activities. Fiduciary activities represent funds held in trust for others. These funds are not included in the resources available to support the Department's governmental activities. Governmental activities are financed by general revenue appropriations and state and federal grants.

The Department-wide Statement of Net Position reports the assets of the Department and the corresponding claims and liabilities against those assets at June 30, 2017. The difference between the value of the assets and the liabilities is reflected as the value of the net position. Increases or decreases in net position measure whether the financial position of the Department improved or deteriorated. Net position legally limited to a particular use is reported as restricted. Unrestricted net position contains assets that can be used to fund operating expenses in future years. A deficit (negative) balance in unrestricted net position would indicate that obligations incurred in the current and prior periods exceed the value of assets currently available, and that the assets of future periods will be required to meet the established obligations.

The Department-wide Statement of Activities reports the educational and education-related expenses and the cost of general government operations of the Department, with a comparison of the program revenues obtained to finance them, and the general revenues made available to fund the difference. The statement also reports the change in net position during the 2017 fiscal year. This also includes health and welfare related expenses and cost of general government operations of the Division of Vocational Rehabilitation, with a comparison of program revenues obtained to finance them, and the general revenues made available to fund the difference.

The Department's activities are grouped into the functional programs. The Education activities are funded from federal revenues provided primarily by the U.S. Department of Education. Health and Welfare activities are Vocational Rehabilitation programs and the Disability Determination Services program, both administered by DVR. The state authorized chartered schools activities are grouped into the functional programs and are funded from federal flow through revenues from the Department and are expensed within the categories of instructional, support, and operations.

Fund Financial Statements: The fund financial statements that follow the department-wide financial statements report on the financial position and changes in financial position of the individual funds used by the Department. Funds are separate accounting entities used in government accounting to segregate transactions according to the sources of funding and to demonstrate legal compliance with the restrictions that may be imposed on those financial resources. The Department uses two types of funds to account for its financial activities: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for the finances of the governmental activities reported in the department-wide financial statements. The Department uses two types of governmental funds: a general fund to account for activities not required to be accounted for in other funds, and special revenue funds to account for collection and expenditure of earmarked and restricted fund resources (Note 1).

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Fiduciary Funds

Fiduciary funds are used to account for resources the Department holds for others. The Department uses three fiduciary funds. The *agency fund* is used to accumulate driver safety fees that are to be distributed to each school for the purpose of providing defensive driving instructions. The *private-purpose trusts* are used to report arrangements under which principal of donations invested or interest earned on investments benefit specific individuals. The *Eva Lou Scholarship fund* benefits "deserving boys and girls", and the *Tutor Scholarship* is used to account for donations to be used to fund scholarships for academically successful students who tutor at-risk high school students. The finances of these funds are reported in a separate Statement of Fiduciary Net Position. The resources of these funds are excluded from the department-wide financial statements because they cannot be used to finance the Department's operations.

Reconciliation of Department-wide Financial Statements to Fund Financial Statements: Differences in amounts reported in the department-wide financial statements versus the fund financial statements result from the different measurement focus and basis of accounting used. The measurement focus used for governmental funds is based on budgetary control and the flow of resources in the current year. As an example, capital purchases are treated as expenditures of the current year. Department-wide financial statements reflect such transactions as allocations over the time of use in the form of depreciation. A reconciliation of differences between department-wide and fund financial statements is provided in separate schedules that detail the differences in accounting treatment.

Budgetary Comparisons: The budgetary comparison statements furnish a budget-to-actual comparison for all governmental funds to report compliance with the approved budget. The budget amounts reported are those in the original budget and in the amended budget, which reflects all legal adjustments made to the budget since the start of the fiscal year. The budgetary actual amounts are stated on the same basis as the budget figures.

Notes to the Financial Statements. The notes to the financial statements provide detailed information to support and explain key financial information presented in the department-wide and fund financial statements.

The notes provide information on the activities of the Department, on the basis of accounting used, and on accounting policies reflected in the financial statements to clarifying key financial information. They are integral to understanding the financial statements.

Supplemental and Supplementary Information: Supplemental information is provided to report the combining financial statements of non-major funds and fiduciary funds, to report the change in assets and liabilities of the agency fund, and to report the details of federal grant awards and expenditures. The information is provided in compliance with federal and state reporting requirements.

Since the Department is composed of two distinctly appropriated entities and 63 state authorized chartered schools, a separate discussion and analysis section is being presented for the Public Education Department, the Division of Vocational Rehabilitation, and the 63 state authorized chartered schools following the department-wide discussion and analysis.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Financial Highlights

Public Education Department

- The Department has four major funds. The General fund (SHARE Fund 05700) accounts for administration of PED, not including DVR or federal administrative costs. DVR's administrative and direct costs are recorded in the Vocational Rehabilitation fund (SHARE Fund 50000) and the Disability Determination Services fund (SHARE Fund 50100), which together are presented as the DVR General Fund in the financial statements.
- The Department's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. We exclude these activities from the Department's other financial statements because the Department cannot use these assets to finance its operations. The Department is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Division of Vocational Rehabilitation

- As noted above, DVR has two major funds, which are combined in the financial statements for reporting purposes. The Vocational Rehabilitation Program is funded under the U.S. Department of Education's Rehabilitation Services Administration (RSA) with federal funding that requires 21.3% of the total expenditures under the program to be made with state matching funds. The remaining 78.7% are funded with the federal grant. DVR's other major program is the Disability Determination Program, which is funded by the U.S. Social Security Administration (SSA). The program does not require a state match and is funded 100% with a federal grant from SSA.
- DVR capital assets increased by \$369,760, which was a result of a physical inventory count completed during the fiscal year that identified approximately \$14,279 of fully depreciated assets that were disposed of during the course of the fiscal year or did not exist. The reductions were offset by approximately \$384,039 of asset additions, net of \$128,503 of depreciation expensed during the fiscal year.
- Administration – The DVR program is a joint effort of the federal and state governments to assist people with disabilities, as a function of the Rehabilitation Act of 1973, as amended, the Workforce Innovation Opportunity Act of 2014, and the Social Security Act, as amended. The New Mexico DVR is a division of the New Mexico Public Education Department and is responsible for a variety of services for people with disabilities. Although it receives a separate appropriation from the Legislature and has its own business unit with the Department of Finance and Administration, DVR is a division of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Financial Analysis of the Department as a Whole

Net Position

The Department's net position at June 30, 2017 was \$40,326,229. Table A-1 summarizes the Department's net position for the fiscal year ended June 30, 2017.

Table A-1

The Department's Net Position

	(Dollars in Thousands)			
	June 30, 2017			June 30, 2016
	PED	DVR	Department	Department
<u>Assets</u>				
Current Assets	\$ 184,083	12,037	196,120	271,781
Capital assets, net	114	588	702	512
Total assets	184,197	12,625	196,822	272,293
<u>Liabilities</u>	145,032	11,463	156,495	209,791
<u>Net Position</u>				
Investment in capital assets	114	588	702	512
Restricted	29,872	1,261	31,132	53,866
Unrestricted (Deficit)	9,179	(687)	8,492	8,125
Total Net Position	\$ 39,165	1,162	40,327	62,503

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Changes in Net Position

The Department's change in net position for the year ended June 30, 2017 was \$21,176,655. Table A-2 summarizes the Department's changes in net position for fiscal year 2017.

**Table A-2
The Department's Changes in Net Position**

	(Dollars in Thousands)			
	Year Ended June 30, 2017			Year Ended June 30, 2016
	PED	DVR	Department	Department
<u>Program Revenue Grants</u>	\$ 417,179	35,412	451,477	477,112
<u>General Revenues</u>				
State appropriation	2,713,124	5,648	2,718,772	2,745,077
Inter-agency transfer, net	(6,725)	72	(6,726)	(9,131)
Reversions	(106,375)	-	(106,375)	(8,031)
Proceeds of state general obligation and severance tax bonds	43,923	-	43,923	36,579
Loss on disposal of assets	-	-	-	(5)
Total general revenues	<u>2,643,875</u>	<u>5,720</u>	<u>2,649,594</u>	<u>2,764,489</u>
<u>Expenses</u>				
Education	3,081,962	-	3,081,962	3,195,603
Health and Welfare	-	41,400	41,400	38,154
Total Expenses	<u>3,081,962</u>	<u>41,400</u>	<u>3,123,362</u>	<u>3,233,757</u>
Change in net position	(20,908)	(268)	(21,176)	7,844
Net Position Beginning of Year	61,073	1,430	62,503	54,659
Restatement	(1,000)	-	(1,000)	-
Net Position Beginning of Year, as restated	<u>60,073</u>	<u>1,430</u>	<u>61,503</u>	<u>-</u>
Total Net Position	<u>\$ 39,165</u>	<u>1,162</u>	<u>40,327</u>	<u>62,503</u>

DVR's change in net position decreased by \$268,404 between years. The decrease is as a result from various changes in revenue sources and expenditure categories, including a decrease from fund balance.

PED's funding passes through to the schools. Administrative costs are approximately 0.7% of the Department's total expenditures. Education continues to be a priority of the state and the Department's operations are adequately supported by state and federal resources.

**STATE OF NEW MEXICO
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Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Changes in Capital Assets

During the fiscal year 2017, PED purchased \$52,436 of IT equipment. During the fiscal year 2017, DVR purchased \$384,039 of equipment.

Table A-3

The Department's Capital Assets

	(Dollars in Thousands)			
	June 30, 2017			June 30, 2016
	PED	DVR	Department	Department
Art Acquisitions	\$ 6	-	6	6
Equipment and Machinery	1,451	1,512	2,963	2,540
Accumulated Depreciation	(1,343)	(924)	(2,267)	(2,034)
Total capital assets, net	<u>\$ 114</u>	<u>588</u>	<u>702</u>	<u>512</u>

Capital Assets for the Department are presented in Note 7 to the financial statements to illustrate changes from the prior year.

Reporting the Department's Most Significant Funds

The Department's two kinds of funds are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and description of each existing fund type follow:

Governmental funds. Governmental funds are used to account for the Department's general government activities, including the collection and disbursement of specific or legally restricted monies. Governmental funds include:

- General fund – The primary operating fund of the Department accounts for all financial resources, except those required to be accounted for in other funds.
- Special revenue funds – These account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

- Private purpose trust funds – These funds are used to account for trust arrangements under which principal or interest benefit specific individuals or organizations, but not the reporting government.
- Agency funds – These are used to account for assets held on behalf of individuals, private organizations, other government and/or other funds.

General Fund Budgetary Highlights

The New Mexico State Legislature makes annual appropriations to the Department. Amendments to the appropriated budget require approval by the Budget Division of the Department of Finance and Administration, with review by the Legislative Finance Committee.

Supplemental and special appropriations are not reflected in the actual beginning balances.

**STATE OF NEW MEXICO
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Year Ended June 30, 2017**

Over the course of the year, the Department adjusts its budget as authorized in the Appropriation Act. These budget adjustments fall into three categories:

- Budget adjustment requested made during the fiscal year to allow the Department to utilize funds where needed.
- Budget adjustment requests to increase or decrease other state funds based on actual revenues.
- Budget adjustment requests that adhere to required operating budget cuts in compliance with Legislative actions.

With regard to the Public Education Department, general fund support decreased by \$833,186 for FY17.

Recognizing the importance of early learning of future student success, the Governor signed the General Appropriations Act for continued funding for Prekindergarten for \$24,500,000, Kindergarten-three Plus for \$23,700,000, and \$15,000,000 for early reading initiatives.

As part of the Governors teacher effectiveness initiative, \$11,145,500 million was appropriated for teacher and school leader preparation programs. To accurately measure teacher effectiveness \$4,600,000 million was re-appropriated for a new teacher evaluation system.

PED budgetary statements are shown both in the major fund financial statements and the required supplemental information portion of the financial statements.

PED's SHARE Fund No. 05700 General Fund expenditures by category on the modified accrual basis are shown below.

	<u>Final Budget</u>	<u>Actual Amount</u>
Personal Services & Employee Benefits	\$ 11,247	11,223
Contractual Services	1,476	1,476
Other	<u>950</u>	<u>948</u>
Total Expenditures	<u>\$ 13,673</u>	<u>13,648</u>

PED's SHARE Fund No. 85800 Public School Support Flow Through expenditures by category on the modified accrual basis are shown below.

	<u>Final Budget</u>	<u>Actual Amounts</u>
Personal Services & Employee Benefits	\$ -	-
Contractual Services	-	-
Other	<u>2,576,153</u>	<u>2,494,653</u>
Total Education	<u>\$ 2,576,153</u>	<u>2,494,653</u>

By virtue of the language contained in the General Appropriation Act, General Fund appropriations to NMDVR do not revert to the State General Fund.

In FY17 DVR was successful in meeting the division's FFY16 Maintenance of Effort. DVR has also made strides to ensure that the state match will be met in the first fiscal year of the federal grant. This is possible as a result of management changes implemented in FY15 and FY16. The division continues to derive detailed accounting information from the SHARE accounting system.

**STATE OF NEW MEXICO
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The DVR budget for the Disability Determination Services (DDS) program for FY17 remained virtually level from the previous fiscal year. DDS anticipated an increase in medical costs and medical consultant costs; however, medical costs decreased during the fiscal year. Limitations on hiring for vacated positions also impacted closing numbers due to employee retirements and transfers without the ability to replace them.

Economic and Budgetary Factors

The Public Education Department overall FY 17 Budget was a decrease of approximately \$833 thousand from the FY 16 appropriated budget.

NMDVR: The NMDVR federal funds remained relatively flat in FY17; the division is anticipating the FFY18 award to remain consistent. The new WIOA requirements, where 15% of the of section 110 state allotments must be expended on pre-employment transition services, will pose a challenge for the division.

The NMDVR Disability Determination Services Program continues to operate under hiring restrictions imposed by the U.S. Social Security Administration, which manages the DDS federal grant funding. This limitation can be modified by SSA depending upon funding availability.

Component Units — New Mexico State-Chartered Schools

The component units for PED consist of the state authorized chartered schools. The state authorized chartered schools were enacted during the 47th Legislative Session in 2006 under Senate Bill 600. In FY 2008, only two schools were authorized as state chartered (Cottonwood Classical Preparatory School and Media Arts Collaborative Charter School).

In FY 2009, seven additional schools were authorized as state-chartered. The seven schools include: Cien Aguas International School, Horizon Academy West, The International School at Mesa Del Sol, The New America School, North Valley Academy, School of Dreams Academy, and Taos Academy.

In FY 2010, thirteen additional schools were authorized as state-chartered. The thirteen schools include: Albuquerque School of Excellence, The ASK Academy, Alma D'Arte Charter High, South Valley Preparatory School, Cesar Chavez Community School, The MASTER Program, Tierra Adentro, ACE Leadership High School, Taos Integrated School for the Arts, Albuquerque Sign Language Academy, Creative Education Preparatory Institute, Gilbert L. Sena Charter High School and NM School for the Arts.

In FY 2011, fourteen additional schools were authorized as state-chartered. The fourteen schools include: Academy of Trades & Technology, Albuquerque Institute for Math & Science, Amy Biehl Charter High School, East Mountain High School, La Promesa Early Learning Center, New Mexico International School, Southwest Intermediate Learning Center, Southwest Primary Learning Center, Southwest Secondary Learning Center, The Great Academy, The Montessori Elementary School, Village Academy, J Paul Taylor Academy, and Aldo Leopold Charter School.

**STATE OF NEW MEXICO
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In FY 2012, fifteen additional schools were authorized as state-chartered. The fifteen schools include: Coral Community Charter, Estancia Valley Classical Academy, La Jicarita Community School, La Resolana Leadership Academy, La Tierra Montessori School of the Arts and Sciences, McCurdy Charter School, Mission Achievement and Success, Ralph J. Bunche Academy, Red River Valley Charter School, Sage Montessori Charter, Southwest Aeronautics, Mathematics, and Science Academy, The Learning Community Charter School, The New America School-Las Cruces, Uplift Academy, and the William W. & Josephine Dorn Charter Community School.

In FY 2013, one additional school was authorized as state chartered: Walatowa High Charter School.

In FY 2014, three additional schools were authorized as state-chartered. The three schools include: the Anthony Charter School, Health Leadership High School and the New Mexico Connections Academy. Please consider the additional schools when reviewing the financial analysis of the component units as a whole.

In FY 2015, five additional schools were authorized as state-chartered. The five schools include: Dream Diné Charter School, Explore Academy, Health Sciences Academy, La Academia Dolores Huerta and Taos International School.

In FY 2016, eleven additional schools were authorized as state-chartered. The schools include: Dził Dit Ł'ooí School of Empowerment, Action and Perseverance (DEAP), Las Montañas Charter School, Monte del Sol Charter School, Sandoval Academy of Bilingual Education (SABE), Technology Leadership High School, Tierra Encantada Charter School, and Turquoise Trail Charter School.

In FY 2017, three additional schools were authorized as state-chartered. The schools include: Carinos de Los Ninos Charter School, Roots & Wings Community School, and Six Directions Indigenous School, Please consider the additional schools when reviewing the financial analysis of the component units as a whole.

Academy of Trades & Technology

- **Brief Discussion**

The Academy of Trades and Technology teaches practical job skills in construction technology and graphing design. Students can earn a high school diploma and the skills needed for collage or a quality job after high school. Students engage in hands-on projects, job training, and community service.

ACE Leadership High School

- **Brief Discussion**

The vision of this state charter school is to create a new prototype for public high schools in New Mexico and the United States. The school will be located in the Old Town/Saw Mill/Museum District of Albuquerque in order to provide access to young people from across the city. The school, and its programs, will give cutting edge construction specific learning to students by highly skilled teachers. NMACE is created based on the premise that, given the appropriate design, the school can significantly reduce the number of low income students who currently do not graduate in Albuquerque. The school will capture their imagination and prepare them for college and work.

**STATE OF NEW MEXICO
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Management's Discussion and Analysis (Continued)
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Albuquerque Institute of Mathematics and Science

- **Brief Discussion**

Albuquerque Institute for Mathematics and Science at UNM (AIMS@UNM) is prepared to provide an extraordinary education to high AIMS@UNM students in the Albuquerque metropolitan area who are interested in pursuing careers requiring advanced math, science, and technology skills. AIMS@UNM will educate an intellectually single minded blend of culturally, ethnically and economically diverse students in a culture of rigor and strength of fortitude, preparing them for early college entrance; driven by motivation, fueled by innovation and guided by a spirit of public service. It will prepare its graduates for post-secondary education, gainful employment, and leadership in New Mexico's high technology industry.

Albuquerque School of Excellence

- **Brief Discussion**

Albuquerque School of Excellence (ASE) will be a college preparatory charter school focusing on math, science and technology. Members of the ASE believe that excelling in math and science prepares youth to succeed in college, the workplace and the 21st century. The vision is to enable students to succeed in school and have options to enter math, science and engineering careers. Initially, the school will have grades K through 9. One more consequent grade will be added every year afterwards. Total number of students will steadily increase in five years to reach 917.

The Albuquerque Sign Language Academy

- **Brief Discussion**

The Albuquerque Sign Language Academy is a newly approved charter school which will utilize American Sign Language (ASL) and English in order to achieve academic excellence, support family involvement and promote multicultural community integration. Because of the relatively small number of deaf and hard of hearing (dhh) children, ASLA will accommodate not only deaf and hard of hearing students, but also hearing students - including siblings of dhh, children of deaf adults (CODAs), visual learners and others who would benefit from a bilingual education but are not eligible for enrollment in existing "deaf" programs and schools. Nationally, only a few programs offer this innovative model serving a diverse population. To create an optimal learning environment that is supportive of academic, social and emotional development and to further expand the critical mass of bilingual peers, direct instruction in ASL will be provided across content areas.

Aldo Leopold Charter School

- **Brief Discussion**

Learner centered taking into account students' individual learning styles, multiple intelligences and cultural background to insure effective instructional design and practices in the context of the local community. The program is using local natural and community surroundings as a context for interconnecting all of the educational practices into a comprehensive school curriculum strategy. Model and foster a culture of healthy interpersonal dynamics and communication.

Alma d'Arte Charter High School

- **Brief Discussion**

The mission of Alma is to provide a structured, yet nurturing, environment that emphasizes creativity, collaboration and respect to ensure that every student becomes an active, empathetic, life-long learner prepared for independent and collaborative participation in all aspects of life.

**STATE OF NEW MEXICO
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Management's Discussion and Analysis (Continued)
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Amy Biehl Charter High School

- **Brief Discussion**

Amy Biehl Charter High School (ABHS) transforms young people from all walks of life into civic-minded college students while they are still in high school. Located in the heart of downtown Albuquerque in a one hundred year old historic building, ABHS is redefining the value of a high school diploma by providing a challenging curriculum and cultivating close relationships with students and families.

Anthony Charter School

- **Brief Discussion**

In FY15, the charter for Anthony Charter School was revoked by the Public Education Commission. This decision was overturned on appeal and Anthony Charter School works with students and families to identify student abilities, both academically and social-emotionally, using a Personalized Education Plan as a pathway to ensure graduation. ACS provides flexible and personalized programs with each student developing a Personalized Education Plan. The Personalized Education Plan includes a social emotional learning component, based on the NM Core Stands and best instructional practices.

The ASK Academy

- **Brief Discussion**

The Ask Academy (ASK) will emphasize Science, Technology, Engineering & Mathematics (STEM) curricula to create a new learning culture through: project based learning experiences, research programs, building relationships and a strong partnership program to engage students in the learning process and to develop opportunities to become lifelong learners. ASK will improve the retention of core New Mexico State standards by providing multiple opportunities for students to demonstrate skills and knowledge through research, STEM projects, product production and/or services.

Cariños de Los Ninos Charter School

- **Brief Discussion**

Cariños Charter School seeks to foster and encourage each child's positive, total development based upon his/her individual strengths, skills and learning style. Using a 50:50 dual language instructional model, the school will ensure that all of its students will receive high quality academic content in a supportive, caring environment. Further, by using two languages for instruction, students will gain a greater understanding of and appreciation for the local and immigrant cultures that make up the Espanola Valley.

Cesar Chavez Community School

- **Brief Discussion**

The Cesar Chavez Community School (CCCS) provides flexible and personalized programs for anyone seeking a high school diploma and who would benefit from services and educational programs offered during non-traditional hours. The intent of CCCS is to provide high caliber educational services during times that are more convenient for non-traditional, working students. Students who need to improve basic skills in reading and/or math will get focused interventions in preparation for the accelerated graduation option.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Cien Aguas International School

- **Brief Discussion**

The Cien Aguas International School is a dual language school serving children from the kindergarten level through the eighth grade. The school's focus is international and environmental and its curriculum integrates students who differ in language, culture and income in order to promote high achievement for all students. Cien Aguas seeks to develop confident, curious and compassionate young people who are bilingual and bi-literate, committed to a sustainable society, and who have the academic and interpersonal skills necessary to succeed in further education.

Coral Community Charter

- **Brief Discussion**

Coral Community Charter School (CCC) is a state chartered, public approved school that opened its doors in August 2012. CCC has grades K-3 and will add a grade each year until it serves grades K-6. We are dedicated to providing single gender classes, quality instruction, individualization, and family/community involvement in order to ensure students' proficiency.

Cottonwood Classical Preparatory School

- **Brief Discussion**

The mission of the Cottonwood Classical Preparatory School (CCPS) is to develop highly skilled learning activists who, through a broad knowledge base, can analyze, synthesize and evaluate new information. Students will receive the same or higher standard of education offered by the most academically distinguished public or private schools in New Mexico. CCPS graduates will be prepared to enter and thrive at the world's finest colleges and universities and will also become driving forces in their local, regional, national and global community. Students will be prepared for a dynamic 21st century workforce where cultural differences are studied, respected and valued.

CCPS students will demonstrate social responsibility and integrity through active community involvement and service learning opportunities. Students will be well versed in communicating through reading, speaking, writing and listening with diverse audiences.

Dream Diné Charter School

- **Brief Discussion**

Located in the Shiprock area, Dream Dine is a small elementary school currently serving students in grades K-2. Dream Dine opened in FY2015 with grades K-1. The school's goal is to matriculate bi-lingual students who can communicate fluently in both Navajo and English in academic, social and political settings, who have first-hand experience in applying cultural knowledge to address various challenges facing their own communities, and whose sense of identity allows them to pursue college, career, and community service.

Dził Dít Ł'ooí School of Empowerment, Action and Perseverance (DEAP)

- **Brief Discussion**

DEAP's founders sought to create a school that is driven by community needs and hopes for empowering our youth and families. DEAP will provide students with not only educational opportunities but also opportunities to transform the community through focused planning and action.

**STATE OF NEW MEXICO
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Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Estancia Valley Classical Academy

- **Brief Discussion**

The Estancia Valley Classical Academy (EVCA) will provide students the benefit of a content rich and academically rigorous classical liberal arts education with a strong civics component, without the price tag of a private school. At EVCA, students will be challenged to excel both in academics and in moral discipline. Students will learn reading, math, and science through time proven methods and will learn a true account of history based in the reading of primary source documents. Furthermore, discipline, ethics, and personal responsibility will be modeled and expected. EVCA's aim is to develop the academic potential and personal character of each of its students, regardless of background, socio-economic status and ability, and to graduate them fully prepared to become intelligent, responsible, and active members of their community.

Explore Academy

- **Brief Discussion**

Located in Albuquerque, Explore Academy is a high school currently serving students in grades 9-11. Explore Academy opened in FY2015 with grades 9-10. Explore Academy's mission is to provide each student with a personalized educational experience through the power of student choice, allowing each student to create a unique educational pathway in preparation for a college future.

Gilbert L. Sena Charter High School

- **Brief Discussion**

The Gilbert L. Sena Charter High School's (GSH's) mission is to engage students and their families in an innovative and supportive environment directed at gaining academic and social skills necessary for personal, social and career success. GSH promotes honors and celebrates student success. GSH's Vision is "Opportunity to accelerate student success." GSH strives to achieve this through a hybrid curriculum which consists of computer aided instruction and teacher facilitation and through our partnership with CNM. Dual credit classes are offered both on GSH's campus and at CNM. These classes are free of charge to students and allow them to attain both high school elective credit and college credit.

The GREAT Academy

- **Brief Discussion**

The GREAT Academy mission is to ensure that all students Gain Real-world Experience through Active Transition. The Academy exists, not only to improve education for students, but to provide students with the necessary skills for career success. The GREAT Academy promises to make sure that our seniors are prepared for the demands of post-secondary education and/or the career world, in turn, improving the community by improving its residents. The Academy is committed to providing students with an education that is relevant and meaningful to their journey of achieving success.

Health Leadership High School

- **Brief Discussion**

Health Leadership High School is dedicated to hands-on, project-based learning through the lens of the health profession. Curriculum is designed around industry-focused projects, group learning, and student support. Students engage in collaborative work in a supportive, small school environment that values the overall well-being of our young people. We provide the tools and experience students need to become successful leaders in the health care industry.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Horizon Academy West

- **Brief Discussion**

Horizon Academy West (HAW) is a state-authorized chartered school that serves students from kindergarten through 6th grade. The focus is on students' academic achievement and individual development. The school is dedicated to providing students with an academic and social foundation for their continual growth as lifelong learners through a combination of rigorous instruction in the core content areas and an appreciation of our cultural diversity.

International School at Mesa Del Sol

- **Brief Discussion**

The International School at Mesa Del Sol (TIS) is a state-authorized chartered school whose vision it is to bring a meaningful, comprehensive contemporary education to all students, regardless of personal circumstance, to motivate them to learn and be actively engaged in our school community.

J Paul Taylor Academy

- **Brief Discussion**

J. Paul Taylor Academy, in alliance with families at the school and community, will offer a rigorous, well-rounded dual-language, project-based instructional program in a smaller school to promote academic excellence for the diverse students of the Las Cruces area.

La Academia Dolores Huerta

- **Brief Discussion**

La Academia Dolores Huerta is a dual language charter middle school (grades 6-8) serving 120 students from within the Las Cruces area. Our students learn in the languages of English and Spanish, where we alternate the instructional language by week. In addition to the core classes of Language Arts, Math, Science and Social Studies, we currently offer the following elective classes: a) PE; b) Ballet Folklorico; c) Mariachi; d) Conjunto; and e) Art. Our first school year was the 2004-2005 academic year. We completed our renewal charter during the 2008-2009 school year and we are approved by our authorizer, Las Cruces Public Schools (lcps.k12.nm.us).

La Jicarita Community School

- **Brief Discussion**

La Jicarita Community School closed on June 30, 2016. The mission of La Jicarita Community School (LJCS) was to provide a safe, open and creative environment for a culturally diverse kindergarten through 6th grade student population in the Peñasco area to learn through curriculum that is firmly based in state and national standards, and also fosters compelling life-relevant connections for children through learning expeditions.

La Promesa Early Learning Center

- **Brief Discussion**

La Promesa Early Learning Center Ensures that culturally and linguistically diverse students thrive in an academic, family centered, developmentally seamless continuum of learning where high expectations, respect and empowerment meet grade level proficiency.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

La Resolana Leadership Academy

- **Brief Discussion**

The La Resolana Leadership Academy (LRLA) provides a rigorous and high quality academic program in a small and safe traditional middle school setting. Individual Learning Plans are developed for every student in order to ensure academic success in higher education. Students will learn to cultivate meaningful relationships, learn the importance of building a strong character and develop the skills for setting personal and educational goals for the future. Students will participate in community service and service learning projects which helps to develop responsibility in becoming productive and caring citizens.

La Tierra Montessori School of the Arts and Sciences

- **Brief Discussion**

La Tierra Montessori School of the Arts and Sciences will provide K-8 students in Española, NM and the surrounding communities with the opportunity to improve educational outcomes and reach their maximum potential through an integrated experiential curriculum designed to serve individual learners, the school community of learners, and the community as a whole. La Tierra Montessori School of the Arts and Sciences will utilize an integrated approach to education including Montessori, the Arts, and other proven educational models. Our goal is to foster competent, responsible, healthy and independent citizens who love learning and respect themselves, other people and their environment. Tierra Montessori School of the Arts and Sciences is an approved, free, public, charter school set to open in fall 2012 for K-6 grades.

Las Montañas Charter High School

- **Brief Discussion**

The mission of Las Montañas Charter High School is to develop the academic potential and personal character of each student by engaging and valuing the student, family and community partnership. Students will work to prepare for and meet the challenges of a post-secondary or workforce environment for a globally diverse society.

The MASTERS Program

- **Brief Discussion**

The mission of the Masters Program (MASTER) is to support the goal of a college education as an option for every student by expecting all students to perform at rigorous academic levels when provided challenging educational activities by inspired, talented teachers. The educational philosophy and approach of MASTER will be designed with an emphasis on Mathematics, Arts, Science, Technology, Engineering, Reading and Service (MASTERS). A STEM curriculum will be offered. Teachers will be trained in the Paideia Philosophy of education, which focuses on higher level thinking and communication.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

McCurdy Charter School

- **Brief Discussion**

The McCurdy Charter School (MCS) focuses on two inter-twined elements that we believe are essential to an education in Northern New Mexico; the perceived “value” of education and education is much more than just academics. The first element focuses on the need to surround students with an environment of staff, families and stakeholders who value education in their own lives and who recognize the long term impact it has in molding and shaping a student’s life. The second element mandates that education is a combination of academic excellence and achievement, character development and community engagement. Because the whole is always greater than just the sum of its parts, a well-rounded education is much more likely to ensure a well-rounded student.

Media Arts Collaborative Charter School

- **Brief Discussion**

The Media Arts Collaborative Charter School (MACCS) provides a high school education through a holistic approach that blends media arts with responsibility and integrity in an inclusive and diverse academic environment.

MACCS provides an integrated, inclusive curriculum through hands-on experiential learning that satisfies New Mexico standards for graduation from secondary schools. We seek to prepare students for an education in the media arts at the university and community college level, as well as to prepare all students to understand the role of media arts in the world and how people's lives are affected by them. Our mission stems from the need to provide an education that recognizes the extensive influence the media has on our children and society.

Mission Achievement and Success Charter School

- **Brief Discussion**

The educational philosophy of Mission Achievement and Success (MAS) is that when provided solid, research based instructional practices, all students can learn. This includes students typically identified as being “at risk.” MAS is built on the founding belief that equal access to high quality education must be afforded to all students and that all students have the potential to succeed. At the core of high quality education is the delivery of standards based instruction through research based instructional practices that are provided in an effective learning environment; and where commitment to academic excellence is instilled in students as a basic belief, and life skills, that extend far beyond the classroom, are developed within each student.

Monte del Sol Charter School

- **Brief Discussion**

Monte del Sol Charter School educates and inspires Santa Fe's diverse population in grades 7 through 12, by building strong relationships and creatively engaging the local and global community.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

The Montessori Elementary School

- **Brief Discussion**

The Montessori Elementary School (TMES) offers an accelerated program by providing a strong Montessori academic curriculum combined with a unique fine arts program including Suzuki Method, Orff Music, and Visual Arts. The mission of TMES is to encourage students grades K-8 to become responsible citizens who have the ability and desire to fulfill lifelong educational and social goals.

The New America School

- **Brief Discussion**

The New America School (NAS) is a state-authorized public charter high school dedicated to serving a unique population - recent immigrants and English Language learners. NAS was created to serve un-enrolled students who might lack the English skills to succeed in mainstream high schools. The program helps students thrive in high school, and positions them for post-secondary education or whatever career options they may pursue.

The New America School of Las Cruces

- **Brief Discussion**

The New America School is a system of publicly funded charter high schools. The mission of The New America School is to empower new immigrants and English Language Learners with the educational tools and support they need to maximize their potential, succeed and live the American dream. New America schools are located in diverse communities where the need is greatest. We have three campuses in the metro Denver area, a campus in Albuquerque, New Mexico and opened a new campus in August 2012 in Las Cruces, New Mexico.

New Mexico Connections Academy

- **Brief Discussion**

New Mexico Connections Academy's outstanding curriculum is custom-designed for superior results. With a customized learning program for each student's unique abilities, it creates the ideal opportunity for students to excel. Instruction tailored to the right level of each student means less stress, more success. With hundreds of courses, other curriculum is highly varied and flexible. Texts, learning materials, and online resources are woven into the courses. Lesson content and interactive learning activities engage students in individual study and collaboration with their classmates.

New Mexico School for the Arts

- **Brief Discussion**

The New Mexico School for the Arts (NMSA) is dedicated to arts mastery and academic excellence, assisting passionate young artists in developing their full potential. The primary vision of NMSA is to provide students with the tools to pursue a career in the arts, either as a practicing artist or in the arts industry, and to successfully receive a high school diploma. NMSA envisions its graduates to be productive members of the artistic and creative workforce and/or to be successful college students.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

The North Valley Academy

- **Brief Discussion**

The North Valley Academy (NVA) is a state-authorized chartered school committed to providing all students with a rich and well-balanced education through a rigorous focus on Mathematics, Language Arts and an emphasis on Health and Wellness.

Red River Valley Charter School

- **Brief Discussion**

To provide a child-centered education that addresses the strengths, needs, interests, and cultures that equip our students with the knowledge and skills needed to meet challenges and succeed in a rapidly changing world. We are public charter school founded by a group of parents interested in establishing a multi-cultural learning environment that meets the academic needs of children.

Roots & Wings Community School

- **Brief Discussion**

Roots and Wings Community School is a state-chartered expeditionary learning school that serves a diverse group of K-8 students from the greater Taos community in northern New Mexico. Set in a farm and mountain environment, Roots and Wings uses the natural surroundings, active academic approach, and personalized atmosphere to make learning an adventure. The results are students that are engaged, self-reflective, and active citizens, pursuing academic excellence, an attitude of service, and the compassionate behaviors that cultivate connection to the unique agricultural, cultural, and linguistic heritage of Northern New Mexico.

Sage Montessori Charter School

- **Brief Discussion**

In partnership with parents, Sage Montessori Charter School (SMCS) will provide K-8 students the broad educational opportunity afforded by a model Montessori program coupled with exciting and enriching artistic experiences in art and music, enabling each student to develop values and abilities essential to successfully meet their educational goals and lifelong fulfillment as productive citizens and members of a global community.

Sandoval Academy of Bilingual Education (SABE)

- **Brief Discussion**

SABE is a dual-language charter school in Rio Rancho that is innovative in its goals to provide an education that is equal in both Spanish and English proficiency outcomes as well as its focus on cultural education. SABE provides the Sandoval County community with a unique two-way immersion bilingual program with accommodations for English language learners, heritage learners, and native English speakers.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

School of Dreams Academy

- **Brief Discussion**

The School of Dreams Academy (SODA) is a New Mexico state authorized charter school located within the boundaries of Valencia County. The focus of the school is to enhance student achievement through utilization of instruction in the arts, literacy, character education and community involvement through various service learning opportunities. SODA offers a quality, research-based core academic program through the virtual learning program, Education 2020.

Six Directions Indigenous School

- **Brief Discussion**

The Six Directions Indigenous School, through a commitment to culturally relevant indigenous education and interdisciplinary project-based learning, will develop critically conscious students who are engaged in their communities, demonstrate holistic well-being, and have a personal plan for succeeding in post-secondary opportunities.

South Valley Preparatory School

- **Brief Discussion**

South Valley Preparatory School (SVP) proposes to serve students in grades 6, 7 and 8 in the South Valley of Albuquerque, New Mexico. The mission of SVP is to provide a small, safe learning community so that students in the South Valley can engage in a rigorous and relevant academic curriculum. We believe it is here, within a unique family framework, where individual student's strengths can be cultivated while expanding academic horizons and fostering active citizenship.

Southwest Aeronautics, Mathematics, and Science Academy

- **Brief Discussion**

The mission of the Southwest Aeronautics, Mathematics, and Science Academy is to prepare students in grades 7 – 12, through an Integrative STEM educational model with an Aeronautics focus, to become self-motivated, independent, competent, lifelong learners in a unique 21st century global educational environment. Students will be equipped with the reading, writing, mathematical, scientific, technological and problem solving skills necessary for success in post-secondary education and high-tech, aviation related careers.

Southwest Intermediate Learning Center

- **Brief Discussion**

The Southwest Intermediate Learning Center is to prepare students to become self-motivated, self-controlled, independent, competent, life-long learners and productive members of society. Southwest Intermediate Learning Center students will be equipped with the reading, writing, mathematical, technological and problem-solving skills necessary for success in secondary, post-secondary and personal career choices.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Southwest Primary Learning Center

- **Brief Discussion**

The Southwest Primary Learning Center is to prepare students in grades 4-6 for the future by meeting their academic needs through an emphasis on the four core content areas identified by the New Mexico Public Education Department (language arts, mathematics, science, and social studies). Students are also prepare in meeting their emotional and social needs by integrating the remaining five content areas (the arts, modern, classical and native languages, health education, physical education and career education) into the daily school program.

Southwest Secondary Learning Center

- **Brief Discussion**

The Southwest Secondary Learning Center is to prepare students in grades 7-12 to become self-motivated, independent, competent, life-long learners. Students will be equipped with the reading, writing, mathematical, technological and problem solving skills necessary for success in postsecondary education and personal career choices. Through a long-term commitment to this mission, we will be known as a school that can offer quality alternative learning opportunities for all students. Students, parents and community will see the school as offering challenging and creative learning environments for students.

Taos Academy

- **Brief Discussion**

The Taos Academy (TACS) is a 21st century learning community that provides 5th -11th grade students an engaging and rigorous core curriculum, highly motivating elective classes, leadership and career training, and community involvement through our state-of-the-art 21st century learning environment. The school will be expanding to include the 12th grade in the 2010-2011 school years.

Taos Integrated School of the Arts

- **Brief Discussion**

The Taos Integrated School of the Arts (TISA), a new charter school partnering with parents and community will provide K-8 students in the Taos Municipal School District with the opportunity to reach their maximum potential through a standards-based, multicultural, thematic and arts-integrated curriculum. TISA's design is a response to the Taos community's expressed desire for a school that brings together current national standards for education with a strong early childhood emphasis in the arts. This district mission necessitates a smaller size classroom to allow for careful fostering of communication and relating skills. Located inside the municipality, enrollment will be complete with 180 students.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Taos International Charter School

- **Brief Discussion**

Taos International School was approved as part of the 2012 New Application cycle, but did not commence operations until fall of 2014. The school began operations with grades Kindergarten, 1, and 6. The school now serves students in grades Kindergarten, 1, 2, 6, and 7 and will continue to add grades until it serves students K-8. The school has approximately 100 students. The school's mission is to provide K-8 students an educational program focused on inquiry-based teaching and learning, through the International Baccalaureate (IB) Primary and Middle Years Programs; the acquisition of languages including Spanish immersion and Mandarin Chinese; and the development of social, emotional, and rigorous academic skills necessary to function in our local, national, and international community.

Technology Leadership High School

- **Brief Discussion**

Tech Leadership High School (TLHS) is a project-based school that develops future leaders in the technology fields by providing them with 360 degrees of support. TLHS prepares young people for college or a career in the technology field upon graduation.

Tierra Adentro

- **Brief Discussion**

The mission of Tierra Adentro: The New Mexico School of Academics, Art and Artesania (TANM) is to create an inclusive and thriving learning environment comprised of a demographically and culturally diverse student population with a focus on academics, art, artesania (artisanship) and the study of the cultures that comprise our rich New Mexican heritage to ensure awareness, preservation, and progression of our cultural legacy.

Tierra Encantada Charter School

- **Brief Discussion**

The mission of the Tierra Encantada Charter School at Alvord ("TECS") is to empower students as citizen scholars within a dual language environment through a rigorous learning curriculum, which will prepare students for post-secondary success.

Turquoise Trail Charter School

- **Brief Discussion**

Turquoise Trail Charter School serves a diverse community of Pre-K through 6th grade students and families in a safe and supportive environment fostering communication, collaboration, critical thinking, and creativity. Students are empowered through a student-centered learning approach. Teaching and learning are research-based, data-driven, and relevant to diverse student needs and interests.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Uplift Community School

- **Brief Discussion**

The Uplift Community School, in alliance with families and the community of Uplift Community School Family Handbook 2012-2013 Gallup-McKinley County, will provide a rigorous; state-standards based education to grades K-8th using an Expeditionary Learning Model (www.elschools.org) to achieve academic success for all students. The Uplift Community School will meet high expectations for achievement by producing meaningful, high quality work that engages cultural diversity, and integrates inquiry and learning in literature, science, social studies and the arts, while building skills in math, reading and writing. The Uplift Community School will develop leadership and teamwork through a process of planning, reflection and revision and a school culture that values individual initiative and voice.

Walatowa High Charter School

- **Brief Discussion**

Walatowa High Charter School (WH)- Through a community-integrated experiential learning program, Walatowa High Charter School will prepare students to be academically successful , while promoting Cultural awareness, community wellness, Leadership, College and Career readiness. The principal focus of Walatowa High's academic program is early college preparation, including dual credit coursework. The pre-college focused curriculum also emphasizes the value of the community's (Jemez, Zia and Jemez Valley Corridor) culture, and traditions. From the outset, the school founders, administrators, faculty and governance council have recognized that young people who understand their identity and appreciate their unique heritage are the best equipped to become effective students and citizens. Students are challenged with advanced courses in core subject areas and enter the dual credit program by their junior year of high school. WHCS maintains strong partnerships with post-secondary institutions to ensure the implementation of our college and career preparation program. Partnership such as University of New Mexico, Southwestern Indian Polytechnic Institute, Institute of American Indian Arts, Central New Mexico College, Eastern New Mexico University, New Mexico State University, UNM-Los Alamos, and Arizona University. In addition, through the Gear UP NM program, Exemplary Program and Federal Programs, Walatowa has been able to bring parents and students together in preparation for post-secondary enrollment.

William W. & Josephine Dorn Charter School

- **Brief Discussion**

William W. & Josephine Dorn Charter School (WWJDC) is a new k- 5 public community charter school. We believe that residents of the community should have direct input on how their children are being educated. WWJDC's academic program and school design propels student learning and achievement. Here at WWJDC we believe that all children should be able to read by the third grade, and know their multiplication tables by the fifth. We believe that developing a lifelong passion for learning is essential in having children succeed. WWJDC has adopted a unique educational model to teach students with more hands on activities than standard schools.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Financial Analysis of the Component Units as a Whole

Net Position

The Component Units' net position as June 30, 2017 was \$(77,489,941). Table A-4 summarizes the Component Units' net position for the fiscal years ended June 30, 2017 and 2016.

**Table A-4
The Component Units' Net Position**

	<u>June 30, 2017</u> Component Units	<u>June 30, 2016</u> Component Units
Assets:		
Current assets	\$ 43,817,282	47,301,458
Other assets	8,440,750	1,655,665
Capital assets, net	66,008,812	61,242,272
Total Assets	<u>118,266,845</u>	<u>110,199,395</u>
Deferred Outflows - Pension Related	47,546,745	34,480,205
Current Liabilities		
Accounts payable	1,145,205	2,398,565
Accrued payroll	7,226,771	6,951,900
Unearned revenue	512,702	296,009
Other current liabilities	1,555,247	1,533,238
Compensated absences	191,711	142,837
Total Current liabilities	<u>10,631,784</u>	<u>11,322,549</u>
Non-Current Liabilities		
Net pension liability	174,709,253	146,788,442
Other non-current liabilities	52,578,367	50,860,808
Deferred Inflows - Pension Related	5,384,127	197,649,250
Net Position:		
Net investment in capital assets	13,275,660	10,678,753
Restricted	24,182,317	17,915,569
Unrestricted	(114,947,918)	(99,039,622)
Total net position	<u>\$ (77,489,941)</u>	<u>(70,445,300)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

**Table A-5
The Component Units' Change in Net Position**

	<u>June 30, 2017</u> Component Units	<u>June 30, 2016</u> Component Units
Revenues:		
Program Revenues		
Charges for services	\$ 1,188,003	1,250,340
Operating grants & contributions	20,628,102	18,785,071
Capital grants & contributions	12,931,269	13,450,527
General revenues and transfers:		
State equalization guarantee	126,046,096	127,419,401
Property Tax	9,879,711	5,378
Miscellaneous	3,847,013	10,440,595
Other	134,264	-
Total Revenues	<u>174,654,458</u>	<u>171,345,934</u>
Expenses:		
Instruction	95,376,543	85,691,545
Support Services	38,149,458	34,980,313
Operation of Non-Instructional Services	51,323,572	48,125,114
	<u>184,849,573</u>	<u>168,706,972</u>
Changes in Net Position	(10,195,115)	2,638,962
Net Position, Beginning as Previously Reported	(70,445,300)	(73,696,007)
(Restatement)/Transfer in Component Units	3,150,474	611,745
Net Position, Beginning as Restated	(67,294,826)	(73,084,262)
Net Position, Ending	<u>\$ (77,489,941)</u>	<u>(70,445,300)</u>

Changes in Capital Assets

During fiscal year 2017, Component Unit net capital assets increased by \$4,725,301 primarily due to acquisition of buildings and land as well as capitalization of land and building improvements.

	<u>June 30, 2017</u> Component units	<u>June 30, 2016</u> Component Units
Capital Assets	\$ 80,042,850	73,372,600
Accumulated depreciation	<u>(14,034,038)</u>	<u>(12,130,328)</u>
Total capital assets, net	<u>\$ 66,008,812</u>	<u>61,242,272</u>

Capital Assets for the Component Units are presented in the Combining Statements of Net Position within the basic financial statements.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2017**

Reporting the Component Units' Most Significant Funds

The Department's two kinds of funds are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and description of each existing fund type follow:

Governmental funds: Governmental funds are used to account for the Department's general government activities, including the collection and disbursement of specific or legally restricted monies. Governmental funds include:

- General fund – The primary operating fund of the Department accounts for all financial resources, except those required to be accounted for in other funds.
- Special revenue funds – These account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- Capital projects funds – Capital Projects Funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or other capital assets.

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

- Private purpose trust funds – These funds are used to account for trust arrangements under which principal or interest benefit specific individuals or organizations, but not the reporting government.
- Agency funds – These are used to account for assets held on behalf of individuals, private organizations, other government and/or other funds.

Requests for Information

The financial report is designed to provide citizens, taxpayers, customers, legislators, and investors and creditors with a general overview of the Department's finances and to demonstrate the Department's accountability for the funds it received. If you have questions about this report or need additional financial information contact:

New Mexico Public Education Department
Administrative Services Division
Education Building, 300 Don Gaspar, Room 226
Santa Fe, New Mexico 87501-2786.

BASIC FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Net Position
June 30, 2017**

	<u>Governmental Activities</u>	<u>Component Units</u>
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ -	43,817,283
Investment in State General Fund Investment Pool	89,121,621	-
Investments	-	68,951
Due from Federal Government	106,208,614	-
Due from State General Fund	-	-
Due from Other State Agencies	19,814	-
Due from External Miscellaneous Parties	702,741	-
Due from Agency Fund	-	26,045
Receivables		
Due from Other Governments	-	5,524,676
Tax Receivables	-	22,218
Other Receivables	-	4,091
Deposits	-	184,937
Prepaid Expenditures	-	810,612
Other Assets	66,758	43,763
Total Current Assets	<u>196,119,548</u>	<u>50,502,576</u>
NON-CURRENT ASSETS:		
Restricted Cash and Cash Equivalents	-	1,755,457
Capital Assets	2,969,222	80,042,850
Accumulated Depreciation	(2,266,635)	(14,034,038)
Total Non-Current Assets	<u>702,587</u>	<u>67,764,269</u>
Total Assets	<u>196,822,135</u>	<u>118,266,845</u>
DEFERRED OUTFLOWS - Pension Related	-	47,546,745

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Net Position (Continued)
June 30, 2017**

	<u>Governmental Activities</u>	<u>Component Units</u>
LIABILITIES AND DEFERRED INFLOWS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 116,671,079	1,145,205
Accrued Payroll and Taxes	1,397,078	7,226,771
Interest in State General Fund		
Investment Pool-Overdraft	14,704,899	-
Cash Overdraft	-	-
Due to State General Fund	85,355	-
Due to Other State Agencies	1,964,195	58,702
Due to Federal Government	6,765,194	-
Due to Local Education Authorities	1,088,323	-
Due to Beneficiaries	1,395,898	-
Unearned Revenue	5,004,363	512,850
Accrued Interest	-	356,069
Compensated Absences - Due Within One Year	1,393,763	191,711
Current Portion of Long - Term Debt	-	1,135,476
Other Current Liabilities	6,025,759	-
Current Portion Due to Authorizer	-	5,000
Total Current Liabilities	<u>156,495,906</u>	<u>10,631,784</u>
NON-CURRENT LIABILITIES:		
Long-Term Debt	-	52,573,367
Non Current Portion Due to Authorizer	-	5,000
Net Pension Liability	-	174,709,253
Total Non-Current Liabilities	<u>-</u>	<u>227,287,620</u>
Total Liabilities	<u>156,495,906</u>	<u>237,919,404</u>
DEFERRED INFLOWS - Pension Related	-	5,384,127
NET POSITION (DEFICIT)		
Net Investment in Capital Assets	702,587	13,275,660
Restricted	31,132,021	24,182,317
Unrestricted	8,491,621	(114,947,918)
Total Net Position (Deficit)	<u>\$ 40,326,229</u>	<u>(77,489,941)</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Units
PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES:						
Education	\$ 3,081,961,609	8,887,531	408,291,651	-	(2,664,782,427)	-
Health and Welfare	41,400,885	205,681	35,206,696	-	(5,988,508)	-
Total Primary Government	\$ 3,123,362,494	9,093,212	443,498,347	-	(2,670,770,935)	-
COMPONENT UNITS						
Instruction	\$ 95,376,543	755,199	14,556,168	335,068	-	(79,730,108)
Support Services	38,149,458	1,846	932,946	-	-	(37,214,666)
Operation of Non- Instructional Services	51,323,572	430,958	5,138,988	12,596,201	-	(33,157,425)
Total Component Units	\$ 184,849,573	1,188,003	20,628,102	12,931,269	-	(150,102,199)
GENERAL REVENUES AND TRANSFERS:						
State general fund - general appropriations					\$ 2,616,139,895	-
State general fund - special appropriations					102,631,700	-
State equalization guarantee					-	126,046,096
Bond proceeds appropriations					43,923,032	-
Transfers in - other					87,504	-
Transfers out - other					(6,813,214)	-
Transfers out - State General fund reversions - FY17					(106,374,637)	-
Property taxes					-	9,879,711
Miscellaneous					-	3,847,013
Special Items					-	171,598
Distribution of Cash to PED					-	(37,334)
TOTAL GENERAL REVENUES AND TRANSFERS					2,649,594,280	139,907,084
CHANGE IN NET POSITION					(21,176,655)	(10,195,115)
NET POSITION (DEFICIT), BEGINNING AS PREVIOUSLY REPORTED					62,502,884	(70,445,300)
TRANSFER IN/OUT OF CHARTERS (NOTE 22)					-	2,144,659
RESTATEMENT (NOTE 20 AND 21)					(1,000,000)	1,005,815
NET POSITION (DEFICIT), BEGINNING AS RESTATED					61,502,884	(67,294,826)
NET POSITION (DEFICIT), ENDING					\$ 40,326,229	(77,489,941)

See Notes to Financial Statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Balance Sheets - Governmental Funds
June 30, 2017**

	PED General Fund 05700	DVR General Fund 50000
	<u> </u>	<u> </u>
ASSETS		
Interest in State General Fund		
Investment Pool	\$ 1,587,629	-
Due from Federal Government	-	10,045,271
Due from Other State Agencies	19,814	-
Due from External Miscellaneous Parties	554,322	-
Other Assets	-	14,320
	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 2,161,765</u></u>	<u><u>10,059,591</u></u>
 LIABILITIES AND FUND BALANCES (DEFICIT):		
Accounts Payable	\$ 813,165	1,791,502
Accrued Payroll and Taxes	393,527	451,962
Interest in State General Fund		
Investment Pool-Overdraft	-	11,010
Due to State General Fund	50	-
Due to Other State Agencies	105,620	-
Due to Federal Government	5,101	3,711,426
Due to Local Education Authorities	17,737	-
Due to Beneficiaries	-	-
Unearned Revenue	27,437	3,128,173
Other Liabilities	97,203	-
	<u> </u>	<u> </u>
Total Liabilities	<u><u>1,459,840</u></u>	<u><u>9,094,073</u></u>
 FUND BALANCES (DEFICIT)		
Restricted	-	965,518
Committed	701,925	-
Unassigned (deficit)	-	-
	<u> </u>	<u> </u>
Total Fund Balances (Deficit)	<u><u>701,925</u></u>	<u><u>965,518</u></u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u><u>\$ 2,161,765</u></u>	<u><u>10,059,591</u></u>

See Notes to Financial Statements

Federal Department of Education Flowthrough 67300	Special Projects 79000	Public School Support Flowthrough 85800	Other Non-Major Governmental Funds	Total Governmental Funds
-	38,516,394	-	49,017,598	89,121,621
68,135,648	-	-	28,027,695	106,208,614
-	-	-	-	19,814
3,938	-	-	144,481	702,741
-	4,710	-	47,728	66,758
<u>68,139,586</u>	<u>38,521,104</u>	<u>-</u>	<u>77,237,502</u>	<u>196,119,548</u>
58,913,772	22,819,977	-	32,332,663	116,671,079
-	25,648	-	525,941	1,397,078
709,527	-	272,221	13,712,141	14,704,899
-	14,005	-	71,300	85,355
-	36,636	-	1,821,939	1,964,195
1,800,459	-	9,387	1,238,821	6,765,194
4,983	874,804	-	190,799	1,088,323
1,395,898	-	-	-	1,395,898
888	-	-	1,847,865	5,004,363
60,763	-	585,401	5,282,392	6,025,759
<u>62,886,290</u>	<u>23,771,070</u>	<u>867,009</u>	<u>57,023,861</u>	<u>155,102,143</u>
5,253,296	14,750,034	-	10,163,173	31,132,021
-	-	-	11,120,655	11,822,580
-	-	(867,009)	(1,070,187)	(1,937,196)
<u>5,253,296</u>	<u>14,750,034</u>	<u>(867,009)</u>	<u>20,213,641</u>	<u>41,017,405</u>
<u>68,139,586</u>	<u>38,521,104</u>	<u>-</u>	<u>77,237,502</u>	<u>196,119,548</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Reconciliation of the Balance Sheets - Governmental Funds
to the Statement of Net Position
June 30, 2017**

	<u>Primary Government Governmental Activities</u>
Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)	\$ 41,017,405
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>	
Capital Assets	2,969,222
Accumulated Depreciation	<u>(2,266,635)</u>
Total Capital Assets	702,587
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the fund:</p>	
Compensated absences - due within one year	<u>(1,393,763)</u>
Net Position of Governmental Activities (Statement of Net Position)	<u>\$ 40,326,229</u>

See Notes to Financial Statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and
Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended June 30, 2017**

	PED General Fund 05700	DVR General Fund 50000
	<u> </u>	<u> </u>
REVENUES:		
Federal Grants	\$ 23,990	22,874,393
Other Revenue	2,571,302	205,681
Total Revenues	<u>2,595,292</u>	<u>23,080,074</u>
 EXPENDITURES:		
Current:		
Education	13,638,809	-
Health and Welfare	-	28,365,637
Capital Outlay	9,523	384,039
Total Expenditures	<u>13,648,332</u>	<u>28,749,676</u>
 (DEFICIENCY) EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	 <u>(11,053,040)</u>	 <u>(5,669,602)</u>
 OTHER FINANCING SOURCES (USES):		
State General Fund Appropriations	11,065,300	5,250,192
Appropriations Funded with State Severance Bond Proceeds	-	-
Transfers in:		
Other	-	72,504
Transfers out:		
Reversions - FY17	(12,260)	-
Other	-	-
Total Other Financing Sources (Uses):	<u>11,053,040</u>	<u>5,322,696</u>
 NET CHANGES IN FUND BALANCES	 <u>-</u>	 <u>(346,906)</u>
 FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	 <u>701,925</u>	 <u>1,312,424</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 701,925</u>	<u>965,518</u>

See Notes to Financial Statements

Federal Department of Education Flowthrough 67300	Special Projects 79000	Public School Support Flowthrough 85800	Other Non-Major Governmental Funds	Total Governmental Funds
215,691,581	-	-	204,908,383	443,498,347
949	8,308	-	6,306,972	9,093,212
<u>215,692,530</u>	<u>8,308</u>	<u>-</u>	<u>211,215,355</u>	<u>452,591,559</u>
215,692,530	75,298,319	2,494,653,131	282,498,183	3,081,780,972
-	-	-	12,906,549	41,272,186
-	42,913	-	-	436,475
<u>215,692,530</u>	<u>75,341,232</u>	<u>2,494,653,131</u>	<u>295,404,732</u>	<u>3,123,489,633</u>
<u>-</u>	<u>(75,332,924)</u>	<u>(2,494,653,131)</u>	<u>(84,189,377)</u>	<u>(2,670,898,074)</u>
-	63,681,700	2,571,153,495	67,620,908	2,718,771,595
-	750,000	-	43,173,032	43,923,032
-	-	-	15,000	87,504
-	(8,351,373)	(76,500,364)	(21,510,640)	(106,374,637)
-	-	-	(6,813,214)	(6,813,214)
<u>-</u>	<u>56,080,327</u>	<u>2,494,653,131</u>	<u>82,485,086</u>	<u>2,649,594,280</u>
<u>-</u>	<u>(19,252,597)</u>	<u>-</u>	<u>(1,704,291)</u>	<u>(21,303,794)</u>
<u>5,253,296</u>	<u>34,002,631</u>	<u>(867,009)</u>	<u>21,917,932</u>	<u>62,321,199</u>
<u>5,253,296</u>	<u>14,750,034</u>	<u>(867,009)</u>	<u>20,213,641</u>	<u>41,017,405</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficit)
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

	<u>Primary Government Governmental Activities</u>								
Net Change in Fund Balances - Total Governmental Funds (Statement of Revenues, Expenditures, and Changes in Fund Balances/Deficit)	\$ (21,303,794)								
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>In the Statement of Activities, certain operating expenses (compensated absences payable) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amounts of financial resources used (essentially, the amounts actually paid). The change in the liabilities for the year was:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Change in compensated absences payable</td> <td style="text-align: right;">(63,116)</td> </tr> </table> <p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Capital Outlay</td> <td style="text-align: right;">436,475</td> </tr> <tr> <td>Depreciation expense</td> <td style="text-align: right;"><u>(246,220)</u></td> </tr> <tr> <td>Excess of capital outlay over depreciation expense</td> <td style="text-align: right;"><u>190,255</u></td> </tr> </table>		Change in compensated absences payable	(63,116)	Capital Outlay	436,475	Depreciation expense	<u>(246,220)</u>	Excess of capital outlay over depreciation expense	<u>190,255</u>
Change in compensated absences payable	(63,116)								
Capital Outlay	436,475								
Depreciation expense	<u>(246,220)</u>								
Excess of capital outlay over depreciation expense	<u>190,255</u>								
Change in Net Position of Governmental Activities (Statement of Activities)	<u>\$ (21,176,655)</u>								

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis
General and Major Special Revenue Funds
PED General Fund 05700
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grants	\$ 36,000	48,000	23,990	(24,010)
State General Fund Appropriations	11,065,300	11,065,300	11,065,300	-
Other Revenue	2,560,100	2,560,100	2,571,302	11,202
Reversions	-	-	(12,260)	(12,260)
Total Revenues	<u>13,661,400</u>	<u>13,673,400</u>	<u>13,648,332</u>	<u>(25,068)</u>
Budgeted Fund Balance:	<u>-</u>	<u>-</u>		
				-
Total revenues and budgeted fund balance	<u>\$ 13,661,400</u>	<u>13,673,400</u>		
Expenditures:				
Education:				
Personal Services & Employee Benefits	11,247,100	11,247,100	11,223,935	23,165
Contractual Services	1,404,200	1,476,111	1,476,111	-
Other	1,010,100	950,189	948,286	1,903
Total Expenditures	<u>13,661,400</u>	<u>13,673,400</u>	<u>13,648,332</u>	<u>25,068</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis
General and Major Special Revenue Funds
DVR General Fund 50000
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grants	\$ 22,510,700	24,280,094	22,874,393	(1,405,701)
State General Fund Appropriations	4,766,900	5,250,192	5,250,192	-
Other Revenue	410,000	410,000	205,681	(204,319)
Other Financing Sources	183,000	433,000	272,504	(160,496)
Total Revenues	<u>27,870,600</u>	<u>30,373,286</u>	<u>28,602,770</u>	<u>(1,770,516)</u>
Budgeted Fund Balance:	<u>-</u>	<u>250,000</u>		
Total revenues and budgeted fund balance	<u>\$ 27,870,600</u>	<u>30,623,286</u>		
Expenditures:				
Health and welfare:				
Personal Services & Employee Benefits	12,762,600	12,062,600	11,908,377	154,223
Contractual Services	1,823,600	2,823,600	1,920,443	903,157
Other	13,284,400	15,537,086	14,920,856	616,230
Other Financing uses	-	200,000	200,000	-
Total Expenditures	<u>27,870,600</u>	<u>30,623,286</u>	<u>28,949,676</u>	<u>1,673,610</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>(346,906)</u>	<u>(96,906)</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis
General and Major Special Revenue Funds
Federal Department of Education Flowthrough 67300
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Funds	\$ 255,395,366	255,395,366	215,691,581	(39,703,785)
Other Revenue	-	-	949	949
Total Revenues	<u>255,395,366</u>	<u>255,395,366</u>	<u>215,692,530</u>	<u>(39,702,836)</u>
Budgeted Fund Balance:	<u>-</u>	<u>-</u>		
Total revenues and budgeted fund balance	<u>\$ 255,395,366</u>	<u>255,395,366</u>		
Expenditures:				
Education:				
Contractual Services	9,050,000	9,050,000	8,006,665	1,043,335
Other	<u>246,345,366</u>	<u>246,345,366</u>	<u>207,685,865</u>	<u>38,659,501</u>
Total Expenditures	<u>255,395,366</u>	<u>255,395,366</u>	<u>215,692,530</u>	<u>39,702,836</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis
General and Major Special Revenue Funds
Special Projects 79000
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State General Fund Appropriations	\$ 59,949,488	59,895,638	63,681,700	3,786,062
Other Revenue	540,000	540,000	8,308	(531,692)
Reversions	-	-	(8,351,373)	(8,351,373)
Total Revenues	<u>60,489,488</u>	<u>60,435,638</u>	<u>56,088,635</u>	<u>(4,347,003)</u>
Budgeted Fund Balance:	<u>\$ 19,944,357</u>	<u>19,944,357</u>		
Total revenues and budgeted fund balance	<u>\$ 80,433,845</u>	<u>\$ 80,379,995</u>		
Expenditures:				
Education:				
Personal Services & Employee Benefits	667,155	667,155	665,446	1,709
Contractual Services	45,053,399	45,053,399	43,809,588	1,243,811
Other	34,659,441	34,659,441	30,866,198	3,793,243
Total Expenditures	<u>80,379,995</u>	<u>80,379,995</u>	<u>75,341,232</u>	<u>5,038,763</u>
NET CHANGE IN FUND BALANCE	<u>\$ 53,850</u>	<u>-</u>	<u>(19,252,597)</u>	<u>691,760</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis
General and Major Special Revenue Funds
Public School Support Flowthrough 85800
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State General Fund Appropriations	\$ 2,571,153,501	2,571,153,501	2,571,153,495	(6)
Other Revenue	-	-	-	-
Other Financing Sources	5,000,000	5,000,000	-	(5,000,000)
Reversions	-	-	(76,500,364)	(76,500,364)
Total Revenues	<u>2,576,153,501</u>	<u>2,576,153,501</u>	<u>2,494,653,131</u>	<u>(81,500,370)</u>
Budgeted Fund Balance:	<u>-</u>	<u>-</u>		
Total revenues and budgeted fund balance	<u>\$ 2,576,153,501</u>	<u>2,576,153,501</u>		
Expenditures:				
Education:				
Other	<u>2,576,153,501</u>	<u>2,576,153,501</u>	<u>2,494,653,131</u>	<u>81,500,370</u>
Total Expenditures	<u>2,576,153,501</u>	<u>2,576,153,501</u>	<u>2,494,653,131</u>	<u>81,500,370</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Notes to Financial Statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Assets and Liabilities - Agency Fund
June 30, 2017**

	Agency Fund
	<u>57300</u>
ASSETS	
Interest in State General Fund Investment Pool	\$ <u>5,421,446</u>
Total Assets	\$ <u><u>5,421,446</u></u>
LIABILITIES	
Due to External Parties	\$ <u>5,421,446</u>
Total Liabilities	\$ <u><u>5,421,446</u></u>

See Notes to Financial Statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Fiduciary Net Position
June 30, 2017**

	Private Purpose Trusts <u>61600 & 99300</u>
ASSETS	
Interest in State General Fund Investment Pool	\$ 45,651
Certificate of Deposit	<u>20,000</u>
Total Assets	<u>65,651</u>
LIABILITIES	
Due to External Parties	<u>-</u>
Total Liabilities	<u>-</u>
NET POSITION	
Reserved for Scholarships	<u><u>\$ 65,651</u></u>

See Notes to Financial Statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2017**

	Private Purpose Trusts <u>61600 & 99300</u>
ADDITIONS	
Investment Earnings - Interest	\$ 362
DEDUCTIONS	
Scholarship Expense	<u>-</u>
CHANGE IN NET POSITION	362
NET POSITION, BEGINNING	<u>65,289</u>
NET POSITION, ENDING	<u><u>\$ 65,651</u></u>

See Notes to Financial Statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Net Position - Discretely Presented Component Units
June 30, 2017**

	<u>Academy of Trade and Technology</u>	<u>ACE Leadership High School</u>	<u>AIMS at UNM</u>	<u>Albuquerque School of Excellence</u>
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 528,953	1,536,131	2,755,473	1,045,947
Investments	-	-	-	-
Receivables				
Due From Other Governments	54,278	89,838	13,363	101,517
Taxes Receivables	-	-	-	-
Other Receivables	-	-	-	-
Deposits	1,500	-	-	-
Prepaid Expenditures	-	493,896	-	-
Due from Agency Fund	-	-	-	-
Other	-	-	-	-
TOTAL CURRENT ASSETS	<u>584,731</u>	<u>2,119,865</u>	<u>2,768,836</u>	<u>1,147,464</u>
NON-CURRENT ASSETS:				
Capital Assets				
Land and Land Improvements	-	1,204,998	-	-
Construction-in-Process	-	83,295	-	-
Building and Improvements	1,852,669	4,022,775	-	8,210,000
Leasehold Improvements	-	-	-	-
Vehicles	67,361	-	-	-
Furniture, Fixtures, and Equipment	331,490	77,389	77,553	61,562
Less: Accumulated Depreciation	(670,835)	(477,052)	(45,918)	(333,670)
TOTAL CAPITAL ASSETS	<u>1,580,685</u>	<u>4,911,405</u>	<u>31,635</u>	<u>7,937,892</u>
Restricted Cash and Cash Equivalents	-	-	-	-
TOTAL NONCURRENT ASSETS	<u>1,580,685</u>	<u>4,911,405</u>	<u>31,635</u>	<u>7,937,892</u>
TOTAL ASSETS	<u>2,165,416</u>	<u>7,031,270</u>	<u>2,800,471</u>	<u>9,085,356</u>
DEFERRED OUTFLOWS - Pension Related	375,825	875,709	1,100,062	762,804
LIABILITIES AND DEFERRED INFLOWS				
CURRENT LIABILITIES:				
Accounts Payable	17,640	12,924	10,280	37,644
Cash Overdraft	-	-	-	-
Accrued Liabilities	7,701	665	126,454	238,665
Accrued Interest	-	-	175,000	-
Unearned Revenue	-	487,850	-	-
Compensated Absences	15,687	-	-	-
Due to Other Governments	-	-	-	-
Current Portion Due to Authorizer	-	-	-	-
Current Portion of Long-Term Debt	131,517	150,633	-	117,083
TOTAL CURRENT LIABILITIES	<u>172,545</u>	<u>652,072</u>	<u>311,734</u>	<u>393,392</u>
NON CURRENT LIABILITIES				
Non Current Portion Due to Authorizer	-	-	-	-
Long Term Debt	508,740	3,877,078	-	7,865,000
Net Pension Liability	1,999,169	4,257,410	4,366,076	2,982,202
TOTAL NONCURRENT LIABILITIES	<u>2,507,909</u>	<u>8,134,488</u>	<u>4,366,076</u>	<u>10,847,202</u>
TOTAL LIABILITIES	<u>2,680,454</u>	<u>8,786,560</u>	<u>4,677,810</u>	<u>11,240,594</u>
DEFERRED INFLOWS - Pension Related	111,639	368,911	41,527	28,365
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	940,428	883,694	31,635	(44,191)
Restricted	183,412	1,118,623	1,303,277	570,643
Unrestricted (Deficit)	(1,374,692)	(3,250,809)	(2,153,716)	(1,947,251)
TOTAL NET POSITION (DEFICIT)	<u>\$ (250,852)</u>	<u>(1,248,492)</u>	<u>(818,804)</u>	<u>(1,420,799)</u>

See Independent Auditors Report and Notes to Financial Statements

<u>Albuquerque Sign Language Academy</u>	<u>Aldo Leopold High School</u>	<u>Alma d'arte Charter High School</u>	<u>Amy Biehl Charter School</u>	<u>Anthony Charter School</u>
866,207	632,699	131,245	1,645,091	187,874
68,951	-	-	-	-
155,098	145,096	30,895	126,550	29,478
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	43,763	-
<u>1,090,256</u>	<u>777,795</u>	<u>162,140</u>	<u>1,815,404</u>	<u>217,352</u>
-	-	-	-	-
-	-	-	-	-
-	43,341	-	4,053,278	752,608
-	-	-	-	-
-	108,389	-	-	-
27,851	5,836	156,496	235,325	32,921
(18,175)	(97,900)	(153,591)	(1,444,212)	(134,465)
<u>9,676</u>	<u>59,666</u>	<u>2,905</u>	<u>2,844,391</u>	<u>651,064</u>
-	-	-	13,609	-
<u>9,676</u>	<u>59,666</u>	<u>2,905</u>	<u>2,858,000</u>	<u>651,064</u>
<u>1,099,932</u>	<u>837,461</u>	<u>165,045</u>	<u>4,673,404</u>	<u>868,416</u>
996,923	564,614	416,954	1,169,687	162,202
-	3,110	5,126	10,680	1,716
-	-	-	-	-
74,082	210,210	40,710	2,586	82,759
-	-	-	-	-
-	-	-	-	-
-	32,755	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>74,082</u>	<u>246,075</u>	<u>45,836</u>	<u>13,266</u>	<u>84,475</u>
-	-	-	-	-
-	-	-	-	-
<u>3,379,445</u>	<u>2,499,321</u>	<u>2,851,947</u>	<u>5,434,747</u>	<u>947,051</u>
<u>3,379,445</u>	<u>2,499,321</u>	<u>2,851,947</u>	<u>5,434,747</u>	<u>947,051</u>
<u>3,453,527</u>	<u>2,745,396</u>	<u>2,897,783</u>	<u>5,448,013</u>	<u>1,031,526</u>
32,143	90,584	66,986	55,822	86,649
9,676	59,666	2,905	2,844,391	651,064
168,648	225,155	42,614	1,409,819	34,961
(1,567,139)	(1,718,726)	(2,428,289)	(3,914,954)	(773,582)
<u>(1,388,815)</u>	<u>(1,433,905)</u>	<u>(2,382,770)</u>	<u>339,256</u>	<u>(87,557)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Net Position - Discretely Presented Component
Units (Continued)
June 30, 2017**

	<u>ASK Academy</u>	<u>Carinos De Los Ninos Charter</u>	<u>Cesar Chavez Community School</u>	<u>Cien Aguas International School</u>
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 424,309	56,755	1,014,818	1,099,412
Investments	-	-	-	-
Receivables				
Due From Other Governments	12,195	32,632	62,513	156,814
Taxes Receivables	-	-	-	-
Other Receivables	-	-	-	-
Deposits	-	-	13,000	-
Prepaid Expenditures	-	-	-	13,612
Due from Agency Fund	-	-	-	-
Other	-	-	-	-
TOTAL CURRENT ASSETS	<u>436,504</u>	<u>89,387</u>	<u>1,090,331</u>	<u>1,269,838</u>
NON-CURRENT ASSETS:				
Capital Assets				
Land and Land Improvements	647,989	103,398	-	-
Construction-in-Process	-	-	-	-
Building and Improvements	4,871,470	-	23,270	16,162
Leasehold Improvements	-	-	-	-
Vehicles	-	24,130	-	-
Furniture, Fixtures, and Equipment	189,428	1,216,503	175,231	182,602
Less: Accumulated Depreciation	(309,057)	(139,188)	(137,248)	(95,414)
TOTAL CAPITAL ASSETS	<u>5,399,830</u>	<u>1,204,843</u>	<u>61,253</u>	<u>103,350</u>
Restricted Cash and Cash Equivalents	751,157	-	-	-
TOTAL NONCURRENT ASSETS	<u>6,150,987</u>	<u>1,204,843</u>	<u>61,253</u>	<u>103,350</u>
TOTAL ASSETS	<u>6,587,491</u>	<u>1,294,230</u>	<u>1,151,584</u>	<u>1,373,188</u>
DEFERRED OUTFLOWS - Pension Related	1,401,390	376,466	366,828	1,080,840
LIABILITIES AND DEFERRED INFLOWS				
CURRENT LIABILITIES:				
Accounts Payable	12,553	142,385	7,338	-
Cash Overdraft	-	-	-	-
Accrued Liabilities	213,114	83,463	47,510	192,807
Accrued Interest	-	-	-	-
Unearned Revenue	-	-	-	-
Compensated Absences	-	-	-	-
Due to Other Governments	-	-	-	-
Current Portion Due to Authorizer	-	-	-	-
Current Portion of Long-Term Debt	86,884	-	-	-
TOTAL CURRENT LIABILITIES	<u>312,551</u>	<u>225,848</u>	<u>54,848</u>	<u>192,807</u>
NON CURRENT LIABILITIES				
Non Current Portion Due to Authorizer	-	-	-	-
Long Term Debt	6,295,890	-	-	-
Net Pension Liability	3,978,908	1,836,530	2,393,534	4,072,462
TOTAL NONCURRENT LIABILITIES	<u>10,274,798</u>	<u>1,836,530</u>	<u>2,393,534</u>	<u>4,072,462</u>
TOTAL LIABILITIES	<u>10,587,349</u>	<u>2,062,378</u>	<u>2,448,382</u>	<u>4,265,269</u>
DEFERRED INFLOWS - Pension Related	37,844	931,212	225,556	38,734
NET POSITION				
Net Investment in Capital Assets	(982,944)	1,204,843	61,253	103,350
Restricted	32,286	19,450	302,182	1,041,795
Unrestricted (Deficit)	(1,685,654)	(2,547,187)	(1,518,961)	(2,995,120)
TOTAL NET POSITION (DEFICIT)	<u>\$ (2,636,312)</u>	<u>(1,322,894)</u>	<u>(1,155,526)</u>	<u>(1,849,975)</u>

See Independent Auditors Report and Notes to Financial Statements

<u>Coral Community Charter</u>	<u>Cottonwood Classical Preparatory School</u>	<u>Dream Diné Charter</u>	<u>Dzit Diti'ooi School of Empowerment, Action & Perseverance (DEAP)</u>	<u>Estancia Valley Classical Academy</u>
77,502	1,667,477	383,145	134,028	164,101
-	-	-	-	-
98,466	74,187	35,376	69,188	150,372
-	9,271	-	-	-
-	3,751	-	-	-
-	-	-	-	38,118
-	13,298	-	-	-
-	26,045	-	-	-
-	-	-	-	-
<u>175,968</u>	<u>1,794,029</u>	<u>418,521</u>	<u>203,216</u>	<u>352,591</u>
-	3,172,430	-	-	8,989
-	-	-	-	369,372
-	5,770,204	59,291	-	-
-	-	-	-	728,663
-	-	-	-	-
96,845	43,564	8,336	-	34,799
(60,774)	(593,307)	(8,611)	-	(722,815)
<u>36,071</u>	<u>8,392,891</u>	<u>59,016</u>	<u>-</u>	<u>419,008</u>
-	-	-	-	-
<u>36,071</u>	<u>8,392,891</u>	<u>59,016</u>	<u>-</u>	<u>419,008</u>
<u>212,039</u>	<u>10,186,920</u>	<u>477,537</u>	<u>203,216</u>	<u>771,599</u>
1,056,211	1,653,415	278,535	252,973	754,764
-	35,184	8,028	25,039	11,099
-	-	-	-	-
13,666	382,816	45,420	10,375	185,029
-	52,631	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	180,000	-	-	13,902
<u>13,666</u>	<u>650,631</u>	<u>53,448</u>	<u>35,414</u>	<u>210,030</u>
-	-	-	-	-
-	10,100,000	-	-	-
<u>2,210,025</u>	<u>6,527,885</u>	<u>448,338</u>	<u>310,886</u>	<u>3,634,199</u>
<u>2,210,025</u>	<u>16,627,885</u>	<u>448,338</u>	<u>310,886</u>	<u>3,634,199</u>
<u>2,223,691</u>	<u>17,278,516</u>	<u>501,786</u>	<u>346,300</u>	<u>3,844,229</u>
21,020	62,088	4,264	2,957	63,267
36,071	(1,887,109)	59,016	-	405,106
128,609	1,489,938	186,032	101,810	61,429
<u>(1,141,141)</u>	<u>(5,103,098)</u>	<u>4,974</u>	<u>5,122</u>	<u>(2,847,668)</u>
<u>(976,461)</u>	<u>(5,500,269)</u>	<u>250,022</u>	<u>106,932</u>	<u>(2,381,133)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Net Position - Discretely Presented Component Units
June 30, 2017**

	<u>Explore Academy</u>	<u>Gilbert L Sena Charter High School</u>	<u>GREAT Academy</u>	<u>Health Leadership High School</u>
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 175,109	698,641	748,619	1,395,214
Investments	-	-	-	-
Receivables				
Due From Other Governments	17,855	21,204	31,529	11,346
Taxes Receivables	2,398	-	-	-
Other Receivables	-	-	-	-
Deposits	-	-	-	27,000
Prepaid Expenditures	-	-	10,393	152,556
Due from Agency Fund	-	-	-	-
Other	-	-	-	-
TOTAL CURRENT ASSETS	<u>195,362</u>	<u>719,845</u>	<u>790,541</u>	<u>1,586,116</u>
NON-CURRENT ASSETS:				
Capital Assets				
Land and Land Improvements	-	-	43,726	-
Construction-in-Process	-	-	-	-
Building and Improvements	-	-	1,471,252	-
Leasehold Improvements	-	-	-	-
Vehicles	-	-	126,612	45,757
Furniture, Fixtures, and Equipment	-	162,545	158,491	80,510
Less: Accumulated Depreciation	-	(130,597)	(229,438)	(54,137)
TOTAL CAPITAL ASSETS	<u>-</u>	<u>31,948</u>	<u>1,570,643</u>	<u>72,130</u>
Restricted Cash and Cash Equivalents	-	-	-	-
TOTAL NONCURRENT ASSETS	<u>-</u>	<u>31,948</u>	<u>1,570,643</u>	<u>72,130</u>
TOTAL ASSETS	<u>195,362</u>	<u>751,793</u>	<u>2,361,184</u>	<u>1,658,246</u>
DEFERRED OUTFLOWS - Pension Related	2,049,813	416,003	807,995	1,492,849
LIABILITIES AND DEFERRED INFLOWS				
CURRENT LIABILITIES:				
Accounts Payable	10,674	28,599	2,955	6,122
Cash Overdraft	-	-	-	-
Accrued Liabilities	252,343	144,493	18,544	126,402
Accrued Interest	-	-	-	-
Unearned Revenue	-	-	-	-
Compensated Absences	-	-	-	-
Due to Other Governments	-	-	-	-
Current Portion Due to Authorizer	-	-	-	-
Current Portion of Long-Term Debt	-	-	32,632	-
TOTAL CURRENT LIABILITIES	<u>263,017</u>	<u>173,092</u>	<u>54,131</u>	<u>132,524</u>
NON CURRENT LIABILITIES				
Non Current Portion Due to Authorizer	-	-	-	-
Long Term Debt	-	-	1,067,368	-
Net Pension Liability	3,191,618	2,538,182	2,492,845	3,098,065
TOTAL NONCURRENT LIABILITIES	<u>3,191,618</u>	<u>2,538,182</u>	<u>3,560,213</u>	<u>3,098,065</u>
TOTAL LIABILITIES	<u>3,454,635</u>	<u>2,711,274</u>	<u>3,614,344</u>	<u>3,230,589</u>
DEFERRED INFLOWS - Pension Related	30,256	231,167	23,710	29,467
NET POSITION				
Net Investment in Capital Assets	-	31,948	470,643	72,130
Restricted	80,532	302,378	729,729	241,847
Unrestricted (Deficit)	(1,320,248)	(2,108,971)	(1,669,247)	(422,938)
TOTAL NET POSITION (DEFICIT)	<u>\$ (1,239,716)</u>	<u>(1,774,645)</u>	<u>(468,875)</u>	<u>(108,961)</u>

See Independent Auditors Report and Notes to Financial Statements

<u>Horizon Academy West</u>	<u>International School at Mesa del Sol</u>	<u>J. Paul Taylor Academy</u>	<u>La Academia Dolores Huerta</u>	<u>La Jicarita Community School</u>
1,107,522	899,001	167,769	239,894	-
-	-	-	-	-
95,805	40,648	10,338	33,061	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,203,327</u>	<u>939,649</u>	<u>178,107</u>	<u>272,955</u>	<u>-</u>
164,000	-	-	-	-
-	-	-	-	-
5,180,783	117,836	-	-	-
-	-	-	-	-
-	-	-	-	-
11,077	115,311	22,482	107,244	-
(531,391)	(80,390)	(20,669)	(78,542)	-
<u>4,824,469</u>	<u>152,757</u>	<u>1,813</u>	<u>28,702</u>	<u>-</u>
975,691	-	-	-	-
<u>5,800,160</u>	<u>152,757</u>	<u>1,813</u>	<u>28,702</u>	<u>-</u>
<u>7,003,487</u>	<u>1,092,406</u>	<u>179,920</u>	<u>301,657</u>	<u>-</u>
711,974	1,060,233	309,674	608,206	169,348
-	-	-	-	-
-	-	-	-	-
250,831	172,290	1,750	44,816	-
128,438	-	-	-	-
-	-	-	-	-
9,844	15,911	-	43,421	-
-	-	-	-	-
-	-	-	-	-
90,000	-	-	-	-
<u>479,113</u>	<u>188,201</u>	<u>1,750</u>	<u>88,237</u>	<u>-</u>
-	-	-	-	-
6,410,000	-	-	-	-
<u>4,540,230</u>	<u>3,360,734</u>	<u>1,984,057</u>	<u>2,335,962</u>	<u>484,320</u>
<u>10,950,230</u>	<u>3,360,734</u>	<u>1,984,057</u>	<u>2,335,962</u>	<u>484,320</u>
<u>11,429,343</u>	<u>3,548,935</u>	<u>1,985,807</u>	<u>2,424,199</u>	<u>484,320</u>
93,724	241,484	138,349	22,218	11,401
(699,840)	152,757	1,813	28,702	-
1,565,129	361,194	56,918	142,626	-
<u>(4,672,895)</u>	<u>(2,151,731)</u>	<u>(1,693,293)</u>	<u>(1,707,882)</u>	<u>(326,373)</u>
<u>(3,807,606)</u>	<u>(1,637,780)</u>	<u>(1,634,562)</u>	<u>(1,536,554)</u>	<u>(326,373)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Net Position - Discretely Presented Component Units
June 30, 2017**

	La Promesa Early Learning Center	La Resolana Leadership Academy	La Tierra Montessori School of the Arts and Sciences	Las Montanas Charter School
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 409,464	82,451	148,941	109,840
Investments	-	-	-	-
Receivables				
Due From Other Governments	180,873	8,693	98,034	25,985
Taxes Receivables	-	-	-	-
Other Receivables	-	-	-	-
Deposits	-	-	-	-
Prepaid Expenditures	17,146	-	6,000	-
Due from Agency Fund	-	-	-	-
Other	-	-	-	-
TOTAL CURRENT ASSETS	607,483	91,144	252,975	135,825
NON-CURRENT ASSETS:				
Capital Assets				
Land and Land Improvements	1,402,136	-	-	-
Construction-in-Process	-	-	-	-
Building and Improvements	9,131,947	-	62,528	-
Leasehold Improvements	-	-	-	-
Vehicles	-	-	-	-
Furniture, Fixtures, and Equipment	204,445	-	7,845	135,437
Less: Accumulated Depreciation	(1,706,261)	-	(13,737)	(74,455)
TOTAL CAPITAL ASSETS	9,032,267	-	56,636	60,982
Restricted Cash and Cash Equivalents	-	-	-	-
TOTAL NONCURRENT ASSETS	9,032,267	-	56,636	60,982
TOTAL ASSETS	9,639,750	91,144	309,611	196,807
DEFERRED OUTFLOWS - Pension Related	1,018,776	302,553	496,246	354,183
LIABILITIES AND DEFERRED INFLOWS				
CURRENT LIABILITIES:				
Accounts Payable	24,405	725	-	-
Cash Overdraft	-	-	-	-
Accrued Liabilities	9,231	31,005	83,359	9,199
Accrued Interest	-	-	-	-
Unearned Revenue	-	-	-	-
Compensated Absences	-	-	-	-
Due to Other Governments	-	-	-	-
Current Portion Due to Authorizer	-	-	-	-
Current Portion of Long-Term Debt	9,283	-	-	-
TOTAL CURRENT LIABILITIES	42,919	31,730	83,359	9,199
NON CURRENT LIABILITIES				
Non Current Portion Due to Authorizer	-	-	-	-
Long Term Debt	7,576,584	-	-	-
Net Pension Liability	4,548,146	1,252,899	1,306,153	2,752,636
TOTAL NONCURRENT LIABILITIES	12,124,730	1,252,899	1,306,153	2,752,636
TOTAL LIABILITIES	12,167,649	1,284,629	1,389,512	2,761,835
DEFERRED INFLOWS - Pension Related	43,259	11,917	12,423	140,929
NET POSITION				
Net Investment in Capital Assets	1,446,400	-	56,636	60,982
Restricted	873,606	42,428	55,034	61,970
Unrestricted (Deficit)	(3,872,388)	(945,277)	(707,748)	(2,474,726)
TOTAL NET POSITION (DEFICIT)	\$ (1,552,382)	(902,849)	(596,078)	(2,351,774)

See Independent Auditors Report and Notes to Financial Statements

The Masters Program	McCurdy Charter School	Media Arts Collaborative Charter School	Mission Achievement and Success	Monte del Sol Charter School
976,379	308,068	503,232	898,018	1,236,905
-	-	-	-	-
4,868	722,232	91,579	278,309	100,703
-	-	-	-	-
-	-	-	-	340
-	-	-	-	-
2,140	18,181	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>983,387</u>	<u>1,048,481</u>	<u>594,811</u>	<u>1,176,327</u>	<u>1,337,948</u>
-	-	410,000	-	435,125
23,367	-	-	-	-
30,557	-	1,581,533	-	3,722,125
-	94,377	-	-	-
-	119,321	-	-	-
179,149	-	158,882	312,063	229,264
<u>(187,132)</u>	<u>(32,786)</u>	<u>(454,856)</u>	<u>(122,811)</u>	<u>(1,380,074)</u>
45,941	180,912	1,695,559	189,252	3,006,440
-	-	-	-	-
<u>45,941</u>	<u>180,912</u>	<u>1,695,559</u>	<u>189,252</u>	<u>3,006,440</u>
<u>1,029,328</u>	<u>1,229,393</u>	<u>2,290,370</u>	<u>1,365,579</u>	<u>4,344,388</u>
616,527	798,483	903,392	3,448,776	753,680
6,268	50,845	-	53,038	8,718
-	-	-	-	-
147,142	344,063	109,334	330,198	298,242
-	-	-	-	-
-	-	-	-	-
-	-	-	-	10,715
-	-	-	-	18,702
-	-	-	-	5,000
-	-	79,499	-	91,141
<u>153,410</u>	<u>394,908</u>	<u>188,833</u>	<u>383,236</u>	<u>432,518</u>
-	-	-	-	5,000
-	-	499,707	-	2,194,414
2,625,259	5,066,289	3,475,158	6,845,964	5,022,391
<u>2,625,259</u>	<u>5,066,289</u>	<u>3,974,865</u>	<u>6,845,964</u>	<u>7,221,805</u>
2,778,669	5,461,197	4,163,698	7,229,200	7,654,323
24,970	127,053	33,053	65,114	241,837
45,941	180,912	1,116,353	189,252	720,885
238,888	578,726	244,208	49,305	623,255
<u>(1,442,613)</u>	<u>(4,320,012)</u>	<u>(2,363,550)</u>	<u>(2,718,516)</u>	<u>(4,142,232)</u>
<u>(1,157,784)</u>	<u>(3,560,374)</u>	<u>(1,002,989)</u>	<u>(2,479,959)</u>	<u>(2,798,092)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Net Position - Discretely Presented Component Units
June 30, 2017**

	<u>Montessori Elementary School</u>	<u>New America School</u>	<u>New America School of Las Cruces</u>	<u>New Mexico Connections Academy</u>
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 1,019,356	1,130,916	1,159,407	424,445
Investments	-	-	-	-
Receivables				
Due From Other Governments	-	102,722	38,715	254,686
Taxes Receivables	-	-	-	-
Other Receivables	-	-	-	-
Deposits	-	-	-	-
Prepaid Expenditures	-	-	-	-
Due from Agency Fund	-	-	-	-
Other	-	-	-	-
TOTAL CURRENT ASSETS	<u>1,019,356</u>	<u>1,233,638</u>	<u>1,198,122</u>	<u>679,131</u>
NON-CURRENT ASSETS:				
Capital Assets				
Land and Land Improvements	-	-	-	-
Construction-in-Process	-	-	-	-
Building and Improvements	556,135	2,721,644	45,716	-
Leasehold Improvements	-	-	-	-
Vehicles	181,427	39,507	39,604	-
Furniture, Fixtures, and Equipment	12,974	84,312	24,023	-
Less: Accumulated Depreciation	(159,080)	(989,818)	(55,655)	-
TOTAL CAPITAL ASSETS	<u>591,456</u>	<u>1,855,645</u>	<u>53,688</u>	<u>-</u>
Restricted Cash and Cash Equivalents	-	-	-	-
TOTAL NONCURRENT ASSETS	<u>591,456</u>	<u>1,855,645</u>	<u>53,688</u>	<u>-</u>
TOTAL ASSETS	<u>1,610,812</u>	<u>3,089,283</u>	<u>1,251,810</u>	<u>679,131</u>
DEFERRED OUTFLOWS - Pension Related	830,064	565,246	795,558	2,791,944
LIABILITIES AND DEFERRED INFLOWS				
CURRENT LIABILITIES:				
Accounts Payable	1,581	9,700	8,329	12,913
Cash Overdraft	-	-	-	-
Accrued Liabilities	79,855	147,603	137,002	287,566
Accrued Interest	-	-	-	-
Unearned Revenue	-	-	-	-
Compensated Absences	-	-	-	-
Due to Other Governments	-	-	-	-
Current Portion Due to Authorizer	-	-	-	-
Current Portion of Long-Term Debt	-	133,245	-	-
TOTAL CURRENT LIABILITIES	<u>81,436</u>	<u>290,548</u>	<u>145,331</u>	<u>300,479</u>
NON CURRENT LIABILITIES				
Non Current Portion Due to Authorizer	-	-	-	-
Long Term Debt	-	1,710,340	-	-
Net Pension Liability	3,639,956	3,031,857	2,969,968	4,930,996
TOTAL NONCURRENT LIABILITIES	<u>3,639,956</u>	<u>4,742,197</u>	<u>2,969,968</u>	<u>4,930,996</u>
TOTAL LIABILITIES	<u>3,721,392</u>	<u>5,032,745</u>	<u>3,115,299</u>	<u>5,231,475</u>
DEFERRED INFLOWS - Pension Related	34,621	104,546	28,248	46,900
NET POSITION				
Net Investment in Capital Assets	591,456	12,060	53,688	-
Restricted	962,690	593,063	483,167	20,855
Unrestricted (Deficit)	(2,869,283)	(2,087,885)	(1,633,034)	(1,828,155)
TOTAL NET POSITION (DEFICIT)	<u>\$ (1,315,137)</u>	<u>(1,482,762)</u>	<u>\$ (1,096,179)</u>	<u>(1,807,300)</u>

See Independent Auditors Report and Notes to Financial Statements

<u>New Mexico School for the Arts</u>	<u>North Valley Academy</u>	<u>Red River Valley Charter School</u>	<u>Roots and Wings Charter</u>	<u>Sage Montessori Charter School</u>
1,501,955	360,669	83,399	132,477	85,112
-	-	-	-	-
58,433	308,581	29,782	8,089	12,853
-	-	-	-	-
-	-	-	-	-
12,500	-	-	-	-
15,458	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,588,346</u>	<u>669,250</u>	<u>113,181</u>	<u>140,566</u>	<u>97,965</u>
-	-	-	58,802	-
-	-	-	23,922	-
-	100,662	-	54,292	-
-	-	245,217	-	-
-	-	-	56,678	-
153,311	15,482	19,258	-	23,261
(128,708)	(102,467)	(80,345)	(87,091)	(23,261)
<u>24,603</u>	<u>13,677</u>	<u>184,130</u>	<u>106,603</u>	<u>-</u>
-	-	-	-	-
<u>24,603</u>	<u>13,677</u>	<u>184,130</u>	<u>106,603</u>	<u>-</u>
<u>1,612,949</u>	<u>682,927</u>	<u>297,311</u>	<u>247,169</u>	<u>97,965</u>
712,195	922,885	365,622	228,960	256,932
-	9,828	1,308	6,130	632
-	-	-	-	-
149,231	216,007	48,094	34,198	44,088
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>149,231</u>	<u>225,835</u>	<u>49,402</u>	<u>40,328</u>	<u>44,720</u>
-	-	-	-	-
-	-	-	-	-
<u>3,211,048</u>	<u>4,686,318</u>	<u>1,306,872</u>	<u>788,009</u>	<u>1,591,131</u>
<u>3,211,048</u>	<u>4,686,318</u>	<u>1,306,872</u>	<u>788,009</u>	<u>1,591,131</u>
<u>3,360,279</u>	<u>4,912,153</u>	<u>1,356,274</u>	<u>828,337</u>	<u>1,635,851</u>
142,052	92,837	13,599	30,154	16,560
24,603	13,677	184,130	106,603	-
1,159,354	314,235	38,477	16,478	58,068
(2,361,144)	(3,727,090)	(929,547)	(505,443)	(1,355,582)
<u>(1,177,187)</u>	<u>(3,399,178)</u>	<u>(706,940)</u>	<u>(382,362)</u>	<u>(1,297,514)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Net Position - Discretely Presented Component Units
June 30, 2017**

	<u>Sandoval Academy of Bilingual Education</u>	<u>School of Dreams Academy</u>	<u>Six Directions Indigenous School</u>	<u>South Valley Preparatory School</u>
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 28,410	452,384	178,833	293,550
Investments	-	-	-	-
Receivables				
Due From Other Governments	2,966	95,295	-	57,923
Taxes Receivables	-	-	-	-
Other Receivables	-	-	-	-
Deposits	-	-	-	25,125
Prepaid Expenditures	-	-	-	-
Due from Agency Fund	-	-	-	-
Other	-	-	-	-
TOTAL CURRENT ASSETS	<u>31,376</u>	<u>547,679</u>	<u>178,833</u>	<u>376,598</u>
NON-CURRENT ASSETS:				
Capital Assets				
Land and Land Improvements	-	-	-	-
Construction-in-Process	-	2,617,702	-	-
Building and Improvements	-	-	-	-
Leasehold Improvements	-	-	-	-
Vehicles	-	215,719	-	-
Furniture, Fixtures, and Equipment	-	248,807	-	6,344
Less: Accumulated Depreciation	-	(339,222)	-	(6,344)
TOTAL CAPITAL ASSETS	<u>-</u>	<u>2,743,006</u>	<u>-</u>	<u>-</u>
Restricted Cash and Cash Equivalents	-	15,000	-	-
TOTAL NONCURRENT ASSETS	<u>-</u>	<u>2,758,006</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>31,376</u>	<u>3,305,685</u>	<u>178,833</u>	<u>376,598</u>
DEFERRED OUTFLOWS - Pension Related	614,046	911,589	33,358	279,333
LIABILITIES AND DEFERRED INFLOWS				
CURRENT LIABILITIES:				
Accounts Payable	913	23,815	14,548	17,527
Cash Overdraft	-	-	-	-
Accrued Liabilities	68,366	-	15,411	72,756
Accrued Interest	-	-	-	-
Unearned Revenue	-	25,000	-	-
Compensated Absences	-	18,161	-	1,872
Due to Other Governments	40,000	-	-	-
Current Portion Due to Authorizer	-	-	-	-
Current Portion of Long-Term Debt	-	-	-	-
TOTAL CURRENT LIABILITIES	<u>109,279</u>	<u>66,976</u>	<u>29,959</u>	<u>92,155</u>
NON CURRENT LIABILITIES				
Non Current Portion Due to Authorizer	-	-	-	-
Long Term Debt	-	2,403,163	-	-
Net Pension Liability	752,747	3,886,794	-	1,774,641
TOTAL NONCURRENT LIABILITIES	<u>752,747</u>	<u>6,289,957</u>	<u>-</u>	<u>1,774,641</u>
TOTAL LIABILITIES	<u>862,026</u>	<u>6,356,933</u>	<u>29,959</u>	<u>1,866,796</u>
DEFERRED INFLOWS - Pension Related	7,160	159,787	-	52,414
NET POSITION				
Net Investment in Capital Assets	-	339,843	-	-
Restricted	12,881	447,635	82,209	207,736
Unrestricted (Deficit)	(236,645)	(3,086,924)	100,023	(1,471,015)
TOTAL NET POSITION (DEFICIT)	<u>\$ (223,764)</u>	<u>(2,299,446)</u>	<u>182,232</u>	<u>(1,263,279)</u>

See Independent Auditors Report and Notes to Financial Statements

<u>Southwest Aeronautics, Mathematics, and Science Academy</u>	<u>Southwest Intermediate Learning Center</u>	<u>Southwest Primary Learning Center</u>	<u>Southwest Secondary Learning Center</u>	<u>Taos Academy</u>
889,779	943,776	722,822	2,641,570	750,283
-	-	-	-	-
89,944	188	4,354	7,430	249,659
3,473	1,646	1,477	3,953	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	12,900
-	-	-	-	-
-	-	-	-	-
<u>983,196</u>	<u>945,610</u>	<u>728,653</u>	<u>2,652,953</u>	<u>1,012,842</u>
170,000	-	2,800	25,348	450,000
-	-	-	-	-
126,450	14,151	111,832	33,839	3,101,840
-	-	-	-	-
159,589	-	-	-	-
481,399	125,182	101,427	469,157	226,686
(230,975)	(79,185)	(125,786)	(289,586)	(245,994)
<u>706,463</u>	<u>60,148</u>	<u>90,273</u>	<u>238,758</u>	<u>3,532,532</u>
-	-	-	-	-
<u>706,463</u>	<u>60,148</u>	<u>90,273</u>	<u>238,758</u>	<u>3,532,532</u>
<u>1,689,659</u>	<u>1,005,758</u>	<u>818,926</u>	<u>2,891,711</u>	<u>4,545,374</u>
506,867	189,687	213,422	340,092	813,644
116,964	-	24,024	67,620	-
-	-	-	-	-
120,036	29,612	54,895	122,538	191,260
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	19,657
<u>237,000</u>	<u>29,612</u>	<u>78,919</u>	<u>190,158</u>	<u>210,917</u>
-	-	-	-	-
-	-	-	-	2,065,083
<u>2,116,471</u>	<u>1,020,454</u>	<u>1,175,178</u>	<u>2,105,676</u>	<u>2,887,929</u>
<u>2,116,471</u>	<u>1,020,454</u>	<u>1,175,178</u>	<u>2,105,676</u>	<u>4,953,012</u>
<u>2,353,471</u>	<u>1,050,066</u>	<u>1,254,097</u>	<u>2,295,834</u>	<u>5,163,929</u>
20,130	89,432	103,003	236,544	27,468
706,463	60,148	90,273	238,758	1,447,792
286,766	530,503	512,507	1,160,095	256,302
(1,170,304)	(534,704)	(927,532)	(699,428)	(1,536,473)
<u>(177,075)</u>	<u>55,947</u>	<u>(324,752)</u>	<u>699,425</u>	<u>167,621</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Net Position - Discretely Presented Component Units
June 30, 2017**

	<u>Taos Integrated School of the Arts</u>	<u>Taos International Charter</u>	<u>Technology Leadership High School</u>	<u>Tierra Adentro</u>
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 410,190	463,505	874,313	385,741
Investments	-	-	-	-
Receivables				
Due From Other Governments	257,306	14,968	107,758	157,213
Taxes Receivables	-	-	-	-
Other Receivables	-	-	-	-
Deposits	58,277	4,000	5,417	-
Prepaid Expenditures	-	26,780	-	27,626
Due from Agency Fund	-	-	-	-
Other	-	-	-	-
TOTAL CURRENT ASSETS	<u>725,773</u>	<u>509,253</u>	<u>987,488</u>	<u>570,580</u>
NON-CURRENT ASSETS:				
Capital Assets				
Land and Land Improvements	503,244	-	-	-
Construction-in-Process	-	-	-	-
Building and Improvements	-	-	247,016	-
Leasehold Improvements	-	-	-	-
Vehicles	-	-	-	-
Furniture, Fixtures, and Equipment	113,376	50,449	13,341	84,277
Less: Accumulated Depreciation	(29,402)	(2,123)	(103,213)	(54,382)
TOTAL CAPITAL ASSETS	<u>587,218</u>	<u>48,326</u>	<u>157,144</u>	<u>29,895</u>
Restricted Cash and Cash Equivalents	-	-	-	-
TOTAL NONCURRENT ASSETS	<u>587,218</u>	<u>48,326</u>	<u>157,144</u>	<u>29,895</u>
TOTAL ASSETS	<u>1,312,991</u>	<u>557,579</u>	<u>1,144,632</u>	<u>600,475</u>
DEFERRED OUTFLOWS - Pension Related	469,839	990,789	1,138,890	926,270
LIABILITIES AND DEFERRED INFLOWS				
CURRENT LIABILITIES:				
Accounts Payable	124,144	4,154	17,761	26,618
Cash Overdraft	-	-	-	-
Accrued Liabilities	116,952	180,771	46,069	152,759
Accrued Interest	-	-	-	-
Unearned Revenue	-	-	-	-
Compensated Absences	-	-	-	-
Due to Other Governments	-	-	-	-
Current Portion Due to Authorizer	-	-	-	-
Current Portion of Long-Term Debt	-	-	-	-
TOTAL CURRENT LIABILITIES	<u>241,096</u>	<u>184,925</u>	<u>63,830</u>	<u>179,377</u>
NON CURRENT LIABILITIES				
Non Current Portion Due to Authorizer	-	-	-	-
Long Term Debt	-	-	-	-
Net Pension Liability	1,621,356	1,437,847	1,386,033	3,637,797
TOTAL NONCURRENT LIABILITIES	<u>1,621,356</u>	<u>1,437,847</u>	<u>1,386,033</u>	<u>3,637,797</u>
TOTAL LIABILITIES	<u>1,862,452</u>	<u>1,622,772</u>	<u>1,449,863</u>	<u>3,817,174</u>
DEFERRED INFLOWS - Pension Related	15,421	13,676	13,183	34,600
NET POSITION				
Net Investment in Capital Assets	587,218	48,326	157,144	29,895
Restricted	293,496	21,082	16,883	179,471
Unrestricted (Deficit)	(975,757)	(157,488)	646,449	(2,534,395)
TOTAL NET POSITION (DEFICIT)	<u>\$ (95,043)</u>	<u>(88,080)</u>	<u>820,476</u>	<u>(2,325,029)</u>

See Independent Auditors Report and Notes to Financial Statements

<u>Tierra Encantada Charter School</u>	<u>Turquoise Trail Charter School</u>	<u>Uplift Community School</u>	<u>Walatowa High Charter School</u>
1,054,838	1,295,715	97,406	1,917,674
-	-	-	-
108,932	131,909	32,116	140,593
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	626
-	-	-	-
-	-	-	-
<u>1,163,770</u>	<u>1,427,624</u>	<u>129,522</u>	<u>2,058,893</u>
-	-	-	-
-	-	-	-
18,969	152,185	-	-
-	-	-	16,101
-	106,116	-	-
306,894	-	60,963	2,755
(191,504)	(114,070)	(26,171)	(3,023)
<u>134,359</u>	<u>144,231</u>	<u>34,792</u>	<u>15,833</u>
-	-	-	-
<u>134,359</u>	<u>144,231</u>	<u>34,792</u>	<u>15,833</u>
<u>1,298,129</u>	<u>1,571,855</u>	<u>164,314</u>	<u>2,074,726</u>
951,722	884,050	362,223	254,798
35,844	79,011	-	8,095
-	-	-	-
38,438	436,794	54,099	4,715
-	-	-	-
-	-	-	-
-	8,142	-	35,203
-	-	-	-
-	-	-	-
-	-	-	-
<u>74,282</u>	<u>523,947</u>	<u>54,099</u>	<u>48,013</u>
-	-	-	-
-	-	-	-
<u>4,190,483</u>	<u>5,987,433</u>	<u>1,546,514</u>	<u>1,290,321</u>
<u>4,190,483</u>	<u>5,987,433</u>	<u>1,546,514</u>	<u>1,290,321</u>
<u>4,264,765</u>	<u>6,511,380</u>	<u>1,600,613</u>	<u>1,338,334</u>
55,304	117,719	114,795	15,566
134,359	144,231	34,792	15,833
927,417	564,879	20,538	309,882
(3,131,994)	(4,882,304)	(1,244,201)	649,909
<u>(2,070,218)</u>	<u>(4,173,194)</u>	<u>(1,188,871)</u>	<u>975,624</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Net Position - Discretely Presented Component Units
June 30, 2017**

	<u>William W. & Josephine Dorn Charter Community School</u>	<u>Total Charter Schools</u>
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 62,524	43,817,283
Investments	-	68,951
Receivables		
Due From Other Governments	41,343	5,524,676
Taxes Receivables	-	22,218
Other Receivables	-	4,091
Deposits	-	184,937
Prepaid Expenditures	-	810,612
Due from Agency Fund	-	26,045
Other	-	43,763
TOTAL CURRENT ASSETS	<u>103,867</u>	<u>50,502,576</u>
NON-CURRENT ASSETS:		
Capital Assets		
Land and Land Improvements	-	8,802,985
Construction-in-Process	-	3,117,658
Building and Improvements	-	58,258,360
Leasehold Improvements	-	1,084,358
Vehicles	-	1,290,210
Furniture, Fixtures, and Equipment	27,125	7,489,279
Less: Accumulated Depreciation	(27,125)	(14,034,038)
TOTAL CAPITAL ASSETS	<u>-</u>	<u>66,008,812</u>
Restricted Cash and Cash Equivalents	-	1,755,457
TOTAL NONCURRENT ASSETS	<u>-</u>	<u>67,764,269</u>
TOTAL ASSETS	<u>103,867</u>	<u>118,266,845</u>
DEFERRED OUTFLOWS - Pension Related	231,807	47,546,745
LIABILITIES AND DEFERRED INFLOWS		
CURRENT LIABILITIES:		
Accounts Payable	651	1,145,205
Cash Overdraft	-	-
Accrued Liabilities	46,382	7,226,771
Accrued Interest	-	356,069
Unearned Revenue	-	512,850
Compensated Absences	-	191,711
Due to Other Governments	-	58,702
Current Portion Due to Authorizer	-	5,000
Current Portion of Long-Term Debt	-	1,135,476
TOTAL CURRENT LIABILITIES	<u>47,033</u>	<u>10,631,784</u>
NON CURRENT LIABILITIES		
Non Current Portion Due to Authorizer	-	5,000
Long Term Debt	-	52,573,367
Net Pension Liability	684,381	174,709,253
TOTAL NONCURRENT LIABILITIES	<u>684,381</u>	<u>227,287,620</u>
TOTAL LIABILITIES	<u>731,414</u>	<u>237,919,404</u>
DEFERRED INFLOWS - Pension Related	6,509	5,384,127
NET POSITION		
Net Investment in Capital Assets	-	13,275,660
Restricted	37,192	24,182,317
Unrestricted (Deficit)	(439,441)	(114,947,918)
TOTAL NET POSITION (DEFICIT)	<u>\$ (402,249)</u>	<u>(77,489,941)</u>

See Independent Auditors Report and Notes to Financial Statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended June 30, 2017**

	<u>Academy of Trade and Technology</u>	<u>ACE Leadership High School</u>	<u>AIMS at UNM</u>
INSTRUCTION			
Expenses	\$ (722,713)	(1,435,700)	(2,009,043)
Program Revenues:			
Charges for Services	-	2,734	1,045
Operating Grants and Contributions	177,036	213,806	41,206
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Instruction	<u>(545,677)</u>	<u>(1,219,160)</u>	<u>(1,966,792)</u>
SUPPORT SERVICES			
Expenses	(596,956)	(1,168,508)	(848,374)
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	-	-	-
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Support Services	<u>(596,956)</u>	<u>(1,168,508)</u>	<u>(848,374)</u>
OPERATION OF NON-INSTRUCTIONAL SERVICES			
Expenses	(819,280)	(1,188,698)	(692,135)
Program Revenues:			
Charges for Services	3	-	-
Operating Grants and Contributions	28,725	55,894	-
Capital Grants and Contributions	101,603	293,765	463,645
Net (Expense) Over Revenue - Operation of Non-Instruction Services	<u>(688,949)</u>	<u>(839,039)</u>	<u>(228,490)</u>
Total Net (Expense) Over Revenue - All Functions	<u>(1,831,582)</u>	<u>(3,226,707)</u>	<u>(3,043,656)</u>
GENERAL REVENUES			
State Equalization Guarantee	1,415,946	2,578,722	2,744,589
Property Taxes	138,012	339,090	-
Miscellaneous	186,339	257,015	-
Total General Revenues	<u>1,740,297</u>	<u>3,174,827</u>	<u>2,744,589</u>
Special Items	-	-	-
Distribution of Cash to the NMPED	-	-	-
Change in Net Position	<u>(91,285)</u>	<u>(51,880)</u>	<u>(299,067)</u>
Net Position, Beginning as Previously Reported Restatement (Note 21)	(159,567)	(1,196,612)	(519,737)
Net Position, Beginning as Restated	<u>(159,567)</u>	<u>(1,196,612)</u>	<u>(519,737)</u>
Net Position, Ending	<u>\$ (250,852)</u>	<u>(1,248,492)</u>	<u>(818,804)</u>

See Independent Auditors Report and Notes to Financial Statements

Albuquerque School of Excellence	Albuquerque Sign Language Academy	Aldo Leopold High School	Alma d'arte Charter High School	Amy Biehl Charter School	Anthony Charter School
(2,059,430)	(1,411,523)	(1,318,450)	(1,376,212)	(1,976,131)	(449,544)
35,080	-	16,698	-	20,736	-
161,526	260,423	102,433	172,729	276,761	84,976
-	-	-	-	-	-
<u>(1,862,824)</u>	<u>(1,151,100)</u>	<u>(1,199,319)</u>	<u>(1,203,483)</u>	<u>(1,678,634)</u>	<u>(364,568)</u>
(481,836)	(1,178,475)	(809,444)	(404,750)	(1,460,129)	(358,202)
-	-	-	-	-	-
-	188,978	130,394	-	-	-
-	-	-	-	-	-
<u>(481,836)</u>	<u>(989,497)</u>	<u>(679,050)</u>	<u>(404,750)</u>	<u>(1,460,129)</u>	<u>(358,202)</u>
(980,498)	(603,407)	(374,471)	(492,973)	(1,250,748)	(420,118)
16,066	4,112	-	21,731	5,344	-
82,386	267,523	-	-	22,625	46,046
227,323	116,802	66,339	135,102	260,633	60,000
<u>(654,723)</u>	<u>(214,970)</u>	<u>(308,132)</u>	<u>(336,140)</u>	<u>(962,146)</u>	<u>(314,072)</u>
<u>(2,999,383)</u>	<u>(2,355,567)</u>	<u>(2,186,501)</u>	<u>(1,944,373)</u>	<u>(4,100,909)</u>	<u>(1,036,842)</u>
2,984,077	1,916,373	1,719,569	1,832,203	3,194,735	1,008,497
276,105	90,717	48,459	-	299,217	10,032
-	13,891	68,556	-	407,310	-
<u>3,260,182</u>	<u>2,020,981</u>	<u>1,836,584</u>	<u>1,832,203</u>	<u>3,901,262</u>	<u>1,018,529</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>260,799</u>	<u>(334,586)</u>	<u>(349,917)</u>	<u>(112,170)</u>	<u>(199,647)</u>	<u>(18,313)</u>
(1,681,598)	(1,054,229)	(1,083,988)	(2,270,600)	538,903	(69,244)
-	-	-	-	-	-
<u>(1,681,598)</u>	<u>(1,054,229)</u>	<u>(1,083,988)</u>	<u>(2,270,600)</u>	<u>538,903</u>	<u>(69,244)</u>
<u>(1,420,799)</u>	<u>(1,388,815)</u>	<u>(1,433,905)</u>	<u>(2,382,770)</u>	<u>339,256</u>	<u>(87,557)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Activities (Continued)
Discretely Presented Component Units
For the Year Ended June 30, 2017**

	<u>ASK Academy</u>	<u>Carinos De Los Ninos Charter</u>	<u>Cesar Chavez Community School</u>
INSTRUCTION			
Expenses	\$ (1,954,988)	(537,372)	(1,002,878)
Program Revenues:			
Charges for Services	11,440	1,500	-
Operating Grants and Contributions	117,932	249,814	259,141
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Instruction	<u>(1,825,616)</u>	<u>(286,058)</u>	<u>(743,737)</u>
SUPPORT SERVICES			
Expenses	(1,047,045)	(479,381)	(593,148)
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	-	-	-
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Support Services	<u>(1,047,045)</u>	<u>(479,381)</u>	<u>(593,148)</u>
OPERATION OF NON-INSTRUCTIONAL SERVICES			
Expenses	(1,931,032)	(524,994)	(779,403)
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	-	222,487	54,110
Capital Grants and Contributions	314,930	47,789	152,427
Net (Expense) Over Revenue - Operation of Non-Instruction Services	<u>(1,616,102)</u>	<u>(254,718)</u>	<u>(572,866)</u>
Total Net (Expense) Over Revenue - All Functions	<u>(4,488,763)</u>	<u>(1,020,157)</u>	<u>(1,909,751)</u>
GENERAL REVENUES			
State Equalization Guarantee	3,187,833	1,097,574	1,952,439
Property Taxes	58,416	27,906	184,784
Miscellaneous	576,273	-	155
Total General Revenues	<u>3,822,522</u>	<u>1,125,480</u>	<u>2,137,378</u>
Special Items	-	-	-
Distribution of Cash to the NMPED	-	-	-
Change in Net Position	<u>(666,241)</u>	<u>105,323</u>	<u>227,627</u>
Net Position, Beginning as Previously Reported	(1,970,071)	(1,428,217)	(1,383,153)
Restatement (Note 21)	-	-	-
Net Position, Beginning as Restated	<u>(1,970,071)</u>	<u>(1,428,217)</u>	<u>(1,383,153)</u>
Net Position, Ending	<u>\$ (2,636,312)</u>	<u>(1,322,894)</u>	<u>(1,155,526)</u>

See Independent Auditors Report and Notes to Financial Statements

<u>Cien Aguas International School</u>	<u>Coral Community Charter</u>	<u>Cottonwood Classical Preparatory School</u>	<u>Dream Diné Charter</u>	<u>Dzit Ditl'ooi School of Empowerment, Action & Perseverance (DEAP)</u>	<u>Estancia Valley Classical Academy</u>
(2,599,066)	(1,693,273)	(3,883,523)	(247,963)	(169,460)	(2,088,730)
57,423	-	32,620	-	-	-
266,895	468,980	197,175	264,025	227,087	211,837
-	-	-	-	-	-
<u>(2,274,748)</u>	<u>(1,224,293)</u>	<u>(3,653,728)</u>	<u>16,062</u>	<u>57,627</u>	<u>(1,876,893)</u>
(654,027)	(366,322)	(977,738)	(182,605)	(186,087)	(488,497)
-	-	-	-	-	-
3,582	62,582	-	-	-	54,316
-	-	-	-	-	-
<u>(650,445)</u>	<u>(303,740)</u>	<u>(977,738)</u>	<u>(182,605)</u>	<u>(186,087)</u>	<u>(434,181)</u>
(1,058,022)	(595,838)	(2,601,335)	(211,212)	(112,605)	(1,069,580)
34,031	17,643	-	-	-	-
140,465	52,835	246,500	15,549	11,226	206,802
300,724	148,354	514,639	24,296	26,873	301,494
<u>(582,802)</u>	<u>(377,006)</u>	<u>(1,840,196)</u>	<u>(171,367)</u>	<u>(74,506)</u>	<u>(561,284)</u>
<u>(3,507,995)</u>	<u>(1,905,039)</u>	<u>(6,471,662)</u>	<u>(337,910)</u>	<u>(202,966)</u>	<u>(2,872,358)</u>
2,751,852	1,375,199	4,271,401	313,593	275,900	2,456,773
341,596	163,486	644,354	-	3,840	148,214
-	-	940,699	-	-	2,333
<u>3,093,448</u>	<u>1,538,685</u>	<u>5,856,454</u>	<u>313,593</u>	<u>279,740</u>	<u>2,607,320</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>(414,547)</u>	<u>(366,354)</u>	<u>(615,208)</u>	<u>(24,317)</u>	<u>76,774</u>	<u>(265,038)</u>
(1,435,428)	(610,107)	(4,885,061)	274,339	13,027	(2,116,095)
-	-	-	-	17,131	-
<u>(1,435,428)</u>	<u>(610,107)</u>	<u>(4,885,061)</u>	<u>274,339</u>	<u>30,158</u>	<u>(2,116,095)</u>
<u>(1,849,975)</u>	<u>(976,461)</u>	<u>(5,500,269)</u>	<u>250,022</u>	<u>106,932</u>	<u>(2,381,133)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Activities (Continued)
Discretely Presented Component Units
For the Year Ended June 30, 2017**

	<u>Explore Academy</u>	<u>Gilbert L Sena Charter High School</u>	<u>GREAT Academy</u>	<u>Health Leadership High School</u>
INSTRUCTION				
Expenses	\$ (2,270,621)	(988,732)	(1,097,426)	(1,331,837)
Program Revenues:				
Charges for Services	18,807	1,397	7,531	3,380
Operating Grants and Contributions	81,392	133,781	73,883	140,991
Capital Grants and Contributions	-	-	-	-
Net (Expense) Over Revenue - Instruction	<u>(2,170,422)</u>	<u>(853,554)</u>	<u>(1,016,012)</u>	<u>(1,187,466)</u>
SUPPORT SERVICES				
Expenses	(402,880)	(732,425)	(797,843)	(1,145,825)
Program Revenues:				
Charges for Services	-	-	-	-
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	-	-	-
Net (Expense) Over Revenue - Support Services	<u>(402,880)</u>	<u>(732,425)</u>	<u>(797,843)</u>	<u>(1,145,825)</u>
OPERATION OF NON-INSTRUCTIONAL SERVICES				
Expenses	(910,382)	(527,038)	(651,550)	(643,075)
Program Revenues:				
Charges for Services	11,558	-	-	-
Operating Grants and Contributions	91,663	-	-	50,740
Capital Grants and Contributions	167,846	127,739	169,635	139,081
Net (Expense) Over Revenue - Operation of Non-Instruction Services	<u>(639,315)</u>	<u>(399,299)</u>	<u>(481,915)</u>	<u>(453,254)</u>
Total Net (Expense) Over Revenue - All Functions	<u>(3,212,617)</u>	<u>(1,985,278)</u>	<u>(2,295,770)</u>	<u>(2,786,545)</u>
GENERAL REVENUES				
State Equalization Guarantee	2,023,123	1,754,550	1,828,291	2,182,115
Property Taxes	120,361	161,987	142,500	126,454
Miscellaneous	4,115	-	4,151	-
Total General Revenues	<u>2,147,599</u>	<u>1,916,537</u>	<u>1,974,942</u>	<u>2,308,569</u>
Special Items	-	-	-	-
Distribution of Cash to the NMPED	-	-	-	-
Change in Net Position	<u>(1,065,018)</u>	<u>(68,741)</u>	<u>(320,828)</u>	<u>(477,976)</u>
Net Position, Beginning as Previously Reported	(174,698)	(1,705,904)	(148,047)	369,015
Restatement (Note 21)	-	-	-	-
Net Position, Beginning as Restated	<u>(174,698)</u>	<u>(1,705,904)</u>	<u>(148,047)</u>	<u>369,015</u>
Net Position, Ending	<u>\$ (1,239,716)</u>	<u>(1,774,645)</u>	<u>(468,875)</u>	<u>(108,961)</u>

See Independent Auditors Report and Notes to Financial Statements

Horizon Academy West	International School at Mesa del Sol	J. Paul Taylor Academy	La Academia Dolores Huerta	La Jicarita Community School
(2,246,702)	(1,825,470)	(946,668)	(992,165)	-
65,610	75	1,375	-	-
276,886	197,887	84,884	189,447	-
-	-	-	-	-
<u>(1,904,206)</u>	<u>(1,627,508)</u>	<u>(860,409)</u>	<u>(802,718)</u>	<u>-</u>
(722,883)	(706,489)	(230,382)	(408,635)	(166,151)
-	-	-	-	-
141,140	-	-	-	-
-	-	-	-	-
<u>(581,743)</u>	<u>(706,489)</u>	<u>(230,382)</u>	<u>(408,635)</u>	<u>(166,151)</u>
(1,351,821)	(746,348)	(369,438)	(608,037)	(27,058)
28,176	29,315	28,866	1,538	-
250,147	166,019	35,217	91,012	-
332,948	193,237	153,294	85,995	-
<u>(740,550)</u>	<u>(357,777)</u>	<u>(152,061)</u>	<u>(429,492)</u>	<u>(27,058)</u>
<u>(3,226,499)</u>	<u>(2,691,774)</u>	<u>(1,242,852)</u>	<u>(1,640,845)</u>	<u>(193,209)</u>
2,715,663	2,191,238	1,257,840	1,355,353	-
400,116	254,087	-	100,655	-
913	-	37,020	-	-
<u>3,116,692</u>	<u>2,445,325</u>	<u>1,294,860</u>	<u>1,456,008</u>	<u>-</u>
-	-	-	-	171,598
-	-	-	-	(37,334)
<u>(109,807)</u>	<u>(246,449)</u>	<u>52,008</u>	<u>(184,837)</u>	<u>(58,945)</u>
(3,697,799)	(1,391,331)	(1,686,570)	(1,351,717)	(267,428)
-	-	-	-	-
<u>(3,697,799)</u>	<u>(1,391,331)</u>	<u>(1,686,570)</u>	<u>(1,351,717)</u>	<u>(267,428)</u>
<u>(3,807,606)</u>	<u>(1,637,780)</u>	<u>(1,634,562)</u>	<u>(1,536,554)</u>	<u>(326,373)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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Discretely Presented Component Units
For the Year Ended June 30, 2017**

	La Promesa Early Learning Center	La Resolana Leadership Academy	La Tierra Montessori School of the Arts and Sciences
INSTRUCTION			
Expenses	\$ (2,632,619)	(437,872)	(957,055)
Program Revenues:			
Charges for Services	18,342	-	5,138
Operating Grants and Contributions	1,130,044	69,170	132,076
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Instruction	<u>(1,484,233)</u>	<u>(368,702)</u>	<u>(819,841)</u>
SUPPORT SERVICES			
Expenses	(777,909)	(324,157)	(330,995)
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	-	-	30,372
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Support Services	<u>(777,909)</u>	<u>(324,157)</u>	<u>(300,623)</u>
OPERATION OF NON-INSTRUCTIONAL SERVICES			
Expenses	(2,521,315)	(230,256)	(326,067)
Program Revenues:			
Charges for Services	296	39	-
Operating Grants and Contributions	436,835	48,832	38,288
Capital Grants and Contributions	272,387	54,663	86,509
Net (Expense) Over Revenue - Operation of Non-Instruction Services	<u>(1,811,797)</u>	<u>(126,722)</u>	<u>(201,270)</u>
Total Net (Expense) Over Revenue - All Functions	<u>(4,073,939)</u>	<u>(819,581)</u>	<u>(1,321,734)</u>
GENERAL REVENUES			
State Equalization Guarantee	2,734,410	734,740	1,058,039
Property Taxes	349,334	41,562	28,174
Miscellaneous	592,000	-	6,613
Total General Revenues	<u>3,675,744</u>	<u>776,302</u>	<u>1,092,826</u>
Special Items	-	-	-
Distribution of Cash to the NMPED	-	-	-
Change in Net Position	<u>(398,195)</u>	<u>(43,279)</u>	<u>(228,908)</u>
Net Position, Beginning as Previously Reported	(1,154,187)	(859,570)	(367,170)
Restatement (Note 21)	-	-	-
Net Position, Beginning as Restated	<u>(1,154,187)</u>	<u>(859,570)</u>	<u>(367,170)</u>
Net Position, Ending	<u>\$ (1,552,382)</u>	<u>(902,849)</u>	<u>(596,078)</u>

See Independent Auditors Report and Notes to Financial Statements

Las Montanas Charter School	The Masters Program	McCurdy Charter School	Media Arts Collaborative Charter School	Mission Achievement and Success	Monte del Sol Charter School
(974,937)	(1,033,539)	(2,468,137)	(1,674,647)	(5,635,887)	(2,474,508)
-	-	73,440	10,935	-	32,261
114,872	47,065	492,685	410,745	788,036	205,265
-	-	-	-	-	-
<u>(860,065)</u>	<u>(986,474)</u>	<u>(1,902,012)</u>	<u>(1,252,967)</u>	<u>(4,847,851)</u>	<u>(2,236,982)</u>
(337,101)	(697,966)	(803,044)	(876,127)	(1,065,454)	(614,760)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(337,101)</u>	<u>(697,966)</u>	<u>(803,044)</u>	<u>(876,127)</u>	<u>(1,065,454)</u>	<u>(614,760)</u>
(683,143)	(492,325)	(1,181,891)	(746,198)	(2,527,169)	(1,550,279)
119	-	36,905	8,883	-	22,134
28,880	-	148,177	38,280	719,799	253,752
111,542	352,787	385,427	191,056	629,064	505,964
<u>(542,602)</u>	<u>(139,538)</u>	<u>(611,382)</u>	<u>(507,979)</u>	<u>(1,178,306)</u>	<u>(768,429)</u>
(1,739,768)	(1,823,978)	(3,316,438)	(2,637,073)	(7,091,611)	(3,620,171)
1,608,629	1,856,563	3,184,174	2,099,410	5,884,320	2,748,615
75,261	-	125,748	235,748	368,125	473,590
-	43,144	2,913	-	-	390,625
<u>1,683,890</u>	<u>1,899,707</u>	<u>3,312,835</u>	<u>2,335,158</u>	<u>6,252,445</u>	<u>3,612,830</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>(55,878)</u>	<u>75,729</u>	<u>(3,603)</u>	<u>(301,915)</u>	<u>(839,166)</u>	<u>(7,341)</u>
(2,295,896)	(1,233,513)	(3,556,771)	(701,074)	(1,640,793)	(2,790,751)
-	-	-	-	-	-
<u>(2,295,896)</u>	<u>(1,233,513)</u>	<u>(3,556,771)</u>	<u>(701,074)</u>	<u>(1,640,793)</u>	<u>(2,790,751)</u>
<u>(2,351,774)</u>	<u>(1,157,784)</u>	<u>(3,560,374)</u>	<u>(1,002,989)</u>	<u>(2,479,959)</u>	<u>(2,798,092)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Activities (Continued)
Discretely Presented Component Units
For the Year Ended June 30, 2017**

	Montessori Elementary School	New America School	New America School of Las Cruces
INSTRUCTION			
Expenses	\$ (1,979,485)	(1,030,250)	(1,040,241)
Program Revenues:			
Charges for Services	275,000	-	-
Operating Grants and Contributions	130,680	154,719	166,652
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Instruction	(1,573,805)	(875,531)	(873,589)
SUPPORT SERVICES			
Expenses	(471,266)	(684,640)	(816,269)
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	-	76,343	19,475
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Support Services	(471,266)	(608,297)	(796,794)
OPERATION OF NON-INSTRUCTIONAL SERVICES			
Expenses	(1,034,367)	(1,525,673)	(1,211,593)
Program Revenues:			
Charges for Services	-	-	90
Operating Grants and Contributions	10,495	64,003	59,714
Capital Grants and Contributions	301,126	279,349	214,985
Net (Expense) Over Revenue - Operation of Non-Instruction Services	(722,746)	(1,182,321)	(936,804)
Total Net (Expense) Over Revenue - All Functions	(2,767,817)	(2,666,149)	(2,607,187)
GENERAL REVENUES			
State Equalization Guarantee	2,291,580	2,193,979	2,256,449
Property Taxes	379,247	399,248	203,761
Miscellaneous	-	16,115	-
Total General Revenues	2,670,827	2,609,342	2,460,210
Special Items	-	-	-
Distribution of Cash to the NMPED	-	-	-
Change in Net Position	(96,990)	(56,807)	(146,977)
Net Position, Beginning as Previously Reported Restatement (Note 21)	(1,218,147)	(1,425,955)	(949,202)
Net Position, Beginning as Restated	(1,218,147)	(1,425,955)	(949,202)
Net Position, Ending	\$ (1,315,137)	(1,482,762)	(1,096,179)

See Independent Auditors Report and Notes to Financial Statements

New Mexico Connections Academy	New Mexico School for the Arts	North Valley Academy	Red River Valley Charter School	Roots and Wings Charter	Sage Montessori Charter School
(8,977,518)	(1,380,522)	(2,965,457)	(606,562)	(320,868)	(680,343)
-	12,368	699	422	883	-
624,248	469,123	835,748	178,673	79,132	106,049
-	-	-	-	-	-
<u>(8,353,270)</u>	<u>(899,031)</u>	<u>(2,129,010)</u>	<u>(427,467)</u>	<u>(240,853)</u>	<u>(574,294)</u>
(1,260,116)	(796,806)	(522,923)	(292,904)	(164,817)	(355,693)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(1,260,116)</u>	<u>(796,806)</u>	<u>(522,923)</u>	<u>(292,904)</u>	<u>(164,817)</u>	<u>(355,693)</u>
(273,275)	(603,623)	(1,218,168)	(347,243)	(158,117)	(545,825)
-	4,231	40,501	166	-	-
-	6,060	138,090	121,817	-	-
-	314,491	354,060	153,091	32,490	132,489
<u>(273,275)</u>	<u>(278,841)</u>	<u>(685,517)</u>	<u>(72,169)</u>	<u>(125,627)</u>	<u>(413,336)</u>
<u>(9,886,661)</u>	<u>(1,974,678)</u>	<u>(3,337,450)</u>	<u>(792,540)</u>	<u>(531,297)</u>	<u>(1,343,323)</u>
8,657,394	1,964,105	2,755,494	687,581	479,576	1,148,330
-	276,387	275,884	-	-	106,166
-	9,161	2,292	-	1,787	18,195
<u>8,657,394</u>	<u>2,249,653</u>	<u>3,033,670</u>	<u>687,581</u>	<u>481,363</u>	<u>1,272,691</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>(1,229,267)</u>	<u>274,975</u>	<u>(303,780)</u>	<u>(104,959)</u>	<u>(49,934)</u>	<u>(70,632)</u>
(721,802)	(1,452,162)	(3,095,398)	(601,981)	(420,928)	(1,226,882)
143,769	-	-	-	88,500	-
<u>(578,033)</u>	<u>(1,452,162)</u>	<u>(3,095,398)</u>	<u>(601,981)</u>	<u>(332,428)</u>	<u>(1,226,882)</u>
<u>(1,807,300)</u>	<u>(1,177,187)</u>	<u>(3,399,178)</u>	<u>(706,940)</u>	<u>(382,362)</u>	<u>(1,297,514)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Activities (Continued)
Discretely Presented Component Units
For the Year Ended June 30, 2017**

	Sandoval Academy of Bilingual Education	School of Dreams Academy	Six Directions Indigenous School
INSTRUCTION			
Expenses	\$ (581,911)	(2,119,760)	(217,133)
Program Revenues:			
Charges for Services	667	11,865	-
Operating Grants and Contributions	7,968	489,918	195,265
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Instruction	<u>(573,276)</u>	<u>(1,617,977)</u>	<u>(21,868)</u>
SUPPORT SERVICES			
Expenses	(238,624)	(1,409,162)	(148,080)
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	-	-	-
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Support Services	<u>(238,624)</u>	<u>(1,409,162)</u>	<u>(148,080)</u>
OPERATION OF NON-INSTRUCTIONAL SERVICES			
Expenses	(226,174)	(1,784,437)	(124,000)
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	-	102,943	-
Capital Grants and Contributions	-	362,235	34,372
Net (Expense) Over Revenue - Operation of Non-Instruction Services	<u>(226,174)</u>	<u>(1,319,259)</u>	<u>(89,628)</u>
Total Net (Expense) Over Revenue - All Functions	<u>(1,038,074)</u>	<u>(4,346,398)</u>	<u>(259,576)</u>
GENERAL REVENUES			
State Equalization Guarantee	876,630	3,615,750	441,808
Property Taxes	-	-	-
Miscellaneous	300	124,506	-
Total General Revenues	<u>876,930</u>	<u>3,740,256</u>	<u>441,808</u>
Special Items	-	-	-
Distribution of Cash to the NMPED	-	-	-
Change in Net Position	<u>(161,144)</u>	<u>(606,142)</u>	<u>182,232</u>
Net Position, Beginning as Previously Reported	(104,154)	(1,693,304)	-
Restatement (Note 21)	41,534	-	-
Net Position, Beginning as Restated	<u>(62,620)</u>	<u>(1,693,304)</u>	<u>-</u>
Net Position, Ending	<u>\$ (223,764)</u>	<u>(2,299,446)</u>	<u>182,232</u>

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<u>South Valley Preparatory School</u>	<u>Southwest Aeronautics, Mathematics, and Science Academy</u>	<u>Southwest Intermediate Learning Center</u>	<u>Southwest Primary Learning Center</u>	<u>Southwest Secondary Learning Center</u>	<u>Taos Academy</u>
(851,410)	(1,066,238)	(464,407)	(490,891)	(927,392)	(1,597,851)
-	2,232	40	1,713	7,925	-
159,582	97,320	18,511	30,701	72,102	189,558
-	-	-	-	-	-
<u>(691,828)</u>	<u>(966,686)</u>	<u>(445,856)</u>	<u>(458,477)</u>	<u>(847,365)</u>	<u>(1,408,293)</u>
(391,011)	(837,409)	(341,902)	(203,972)	(849,325)	(518,474)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(391,011)</u>	<u>(837,409)</u>	<u>(341,902)</u>	<u>(203,972)</u>	<u>(849,325)</u>	<u>(518,474)</u>
(454,061)	(997,253)	(288,228)	(276,054)	(787,847)	(728,658)
688	-	-	-	-	-
92,915	(36,469)	-	-	(6,012)	-
115,952	225,697	80,988	75,466	199,156	480,871
<u>(244,506)</u>	<u>(808,025)</u>	<u>(207,240)</u>	<u>(200,588)</u>	<u>(594,703)</u>	<u>(247,787)</u>
<u>(1,327,345)</u>	<u>(2,612,120)</u>	<u>(994,998)</u>	<u>(863,037)</u>	<u>(2,291,393)</u>	<u>(2,174,554)</u>
1,220,173	2,095,862	823,366	797,842	2,275,818	2,111,647
129,194	245,230	102,056	93,319	250,341	246,424
-	18,103	4,849	3,366	40,652	67,749
<u>1,349,367</u>	<u>2,359,195</u>	<u>930,271</u>	<u>894,527</u>	<u>2,566,811</u>	<u>2,425,820</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>22,022</u>	<u>(252,925)</u>	<u>(64,727)</u>	<u>31,490</u>	<u>275,418</u>	<u>251,266</u>
(1,285,301)	(216,028)	51,223	(373,066)	190,689	(110,581)
-	291,878	69,451	16,824	233,318	26,936
<u>(1,285,301)</u>	<u>75,850</u>	<u>120,674</u>	<u>(356,242)</u>	<u>424,007</u>	<u>(83,645)</u>
<u>(1,263,279)</u>	<u>(177,075)</u>	<u>55,947</u>	<u>(324,752)</u>	<u>699,425</u>	<u>167,621</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Activities (Continued)
Discretely Presented Component Units
For the Year Ended June 30, 2017**

	<u>Taos Integrated School of Arts</u>	<u>Taos International Charter</u>	<u>Technology Leadership High School</u>
INSTRUCTION			
Expenses	\$ (1,045,313)	(1,322,433)	(583,137)
Program Revenues:			
Charges for Services	4,467	-	-
Operating Grants and Contributions	131,338	55,417	172,829
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Instruction	<u>(909,508)</u>	<u>(1,267,016)</u>	<u>(410,308)</u>
SUPPORT SERVICES			
Expenses	(251,145)	(265,914)	(603,203)
Program Revenues:			
Charges for Services	1,846	-	-
Operating Grants and Contributions	-	3,357	-
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Support Services	<u>(249,299)</u>	<u>(262,557)</u>	<u>(603,203)</u>
OPERATION OF NON-INSTRUCTIONAL SERVICES			
Expenses	(533,267)	(584,435)	(702,829)
Program Revenues:			
Charges for Services	-	1,059	-
Operating Grants and Contributions	-	121,523	-
Capital Grants and Contributions	149,928	110,806	188,694
Net (Expense) Over Revenue - Operation of Non-Instruction Services	<u>(383,339)</u>	<u>(351,047)</u>	<u>(514,135)</u>
Total Net (Expense) Over Revenue - All Functions	<u>(1,542,146)</u>	<u>(1,880,620)</u>	<u>(1,527,646)</u>
GENERAL REVENUES			
State Equalization Guarantee	1,121,892	1,623,014	1,810,556
Property Taxes	177,818	-	-
Miscellaneous	-	-	-
Total General Revenues	<u>1,299,710</u>	<u>1,623,014</u>	<u>1,810,556</u>
Special Items	-	-	-
Distribution of Cash to the NMPED	-	-	-
Change in Net Position	<u>(242,436)</u>	<u>(257,606)</u>	<u>282,910</u>
Net Position, Beginning as Previously Reported	147,393	169,526	461,092
Restatement (Note 21)	<u>-</u>	<u>-</u>	<u>76,474</u>
Net Position, Beginning as Restated	147,393	169,526	537,566
Net Position, Ending	<u>\$ (95,043)</u>	<u>(88,080)</u>	<u>820,476</u>

See Independent Auditors Report and Notes to Financial Statements

<u>Tierra Adentro</u>	<u>Tierra Encantada Charter School</u>	<u>Turquoise Trail Charter School</u>	<u>Uplift Community School</u>	<u>Walatowa High Charter School</u>
(1,870,479)	(1,537,573)	(2,930,567)	(903,878)	(626,702)
2,250	-	-	-	17,101
106,672	208,375	683,912	198,135	581,020
-	-	335,068	-	-
<u>(1,761,557)</u>	<u>(1,329,198)</u>	<u>(1,911,587)</u>	<u>(705,743)</u>	<u>(28,581)</u>
(797,124)	(889,363)	(735,335)	(397,231)	(288,609)
-	-	-	-	-
72,436	-	137,256	-	-
-	-	-	-	-
<u>(724,688)</u>	<u>(889,363)</u>	<u>(598,079)</u>	<u>(397,231)</u>	<u>(288,609)</u>
(703,721)	(1,318,895)	(1,924,288)	(637,644)	(308,101)
22,400	47,509	47,077	478	-
62,133	44,101	278,625	162,495	32,812
299,304	415,490	323,098	128,400	43,798
<u>(319,884)</u>	<u>(811,795)</u>	<u>(1,275,488)</u>	<u>(346,271)</u>	<u>(231,491)</u>
<u>(2,806,129)</u>	<u>(3,030,356)</u>	<u>(3,785,154)</u>	<u>(1,449,245)</u>	<u>(548,681)</u>
2,529,857	2,518,504	3,032,793	1,280,515	696,798
159,249	450,571	606,886	-	-
-	3,240	-	2,133	-
<u>2,689,106</u>	<u>2,972,315</u>	<u>3,639,679</u>	<u>1,282,648</u>	<u>696,798</u>
-	-	-	-	-
-	-	-	-	-
<u>(117,023)</u>	<u>(58,041)</u>	<u>(145,475)</u>	<u>(166,597)</u>	<u>148,117</u>
(2,208,006)	(2,012,177)	(4,027,719)	(1,022,274)	827,507
-	-	-	-	-
<u>(2,208,006)</u>	<u>(2,012,177)</u>	<u>(4,027,719)</u>	<u>(1,022,274)</u>	<u>827,507</u>
<u>(2,325,029)</u>	<u>(2,070,218)</u>	<u>(4,173,194)</u>	<u>(1,188,871)</u>	<u>975,624</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Activities (Continued)
Discretely Presented Component Units
For the Year Ended June 30, 2017**

	William W. & Josephine Dorn Charter Community School	Total Charter Schools
INSTRUCTION		
Expenses	\$ (333,401)	(95,376,543)
Program Revenues:		
Charges for Services	-	755,199
Operating Grants and Contributions	89,630	14,556,168
Capital Grants and Contributions	-	335,068
Net (Expense) Over Revenue - Instruction	(243,771)	(79,730,108)
SUPPORT SERVICES		
Expenses	(195,591)	(38,149,458)
Program Revenues:		
Charges for Services	-	1,846
Operating Grants and Contributions	12,715	932,946
Capital Grants and Contributions	-	-
Net (Expense) Over Revenue - Support Services	(182,876)	(37,214,666)
OPERATION OF NON-INSTRUCTIONAL SERVICES		
Expenses	(226,057)	(51,323,572)
Program Revenues:		
Charges for Services	-	430,958
Operating Grants and Contributions	32,929	5,138,988
Capital Grants and Contributions	63,953	12,596,201
Net (Expense) Over Revenue - Operation of Non-Instruction Services	(129,175)	(33,157,425)
Total Net (Expense) Over Revenue - All Functions	(555,822)	(150,102,199)
GENERAL REVENUES		
State Equalization Guarantee	444,435	126,046,096
Property Taxes	-	9,879,711
Miscellaneous	500	3,847,013
Total General Revenues	444,935	139,772,820
Special Items	-	171,598
Distribution of Cash to the NMPED	-	(37,334)
Change in Net Position	(110,887)	(10,195,115)
Net Position, Beginning as Previously Reported Restatement (Note 21)	(291,362)	(68,300,641)
Net Position, Beginning as Restated	(291,362)	(67,294,826)
Net Position, Ending	\$ (402,249)	(77,489,941)

See Independent Auditors Report and Notes to Financial Statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statements of Assets and Liabilities - Agency Funds
June 30, 2017**

	<u>Academy of Trade and Technology</u>	<u>ACE Leadership High School</u>	<u>AIMS at UNM</u>	<u>Albuquerque School of Excellence</u>	<u>Albuquerque Sign Language Academy</u>
ASSETS					
Cash in Bank	\$ 3,984	1,693	31,468	38,360	25,000
Accounts Receivable	-	-	-	-	-
Total Assets	<u>\$ 3,984</u>	<u>1,693</u>	<u>31,468</u>	<u>38,360</u>	<u>25,000</u>
LIABILITIES					
Accrued Liabilities	\$ -	-	-	-	-
Deposits Held for Others	3,984	1,693	31,468	38,360	25,000
Due to Governmental Funds	-	-	-	-	-
Total Liabilities	<u>\$ 3,984</u>	<u>1,693</u>	<u>31,468</u>	<u>38,360</u>	<u>25,000</u>

See Independent Auditors Report and Notes to Financial Statements

<u>Aldo Leopold High School</u>	<u>Alma d'arte Charter High School</u>	<u>Amy Biehl Charter School</u>	<u>Anthony Charter School</u>	<u>ASK Academy</u>	<u>Carinos De Los Ninos Charter</u>
12,304	3,191	16,166	7,232	11,465	-
-	-		-	-	-
<u>12,304</u>	<u>3,191</u>	<u>16,166</u>	<u>7,232</u>	<u>11,465</u>	<u>-</u>
-	-		-	-	-
12,304	3,191	16,166	7,232	11,465	-
-	-	-	-	-	-
<u>12,304</u>	<u>3,191</u>	<u>16,166</u>	<u>7,232</u>	<u>11,465</u>	<u>-</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statements of Assets and Liabilities - Agency Funds (Continued)
June 30, 2017**

	Cesar Chavez Community School	Cien Aguas International School	Coral Community Charter	Cottonwood Classical Preparatory School	Dream Diné Charter
ASSETS					
Cash in Bank	\$ 2,552	3,406	-	-	273
Accounts Receivable	-	-	-	-	-
Total Assets	\$ 2,552	3,406	-	-	273
LIABILITIES					
Accrued Liabilities	\$ -	-	-	-	-
Deposits Held for Others	2,552	3,406	-	(26,045)	273
Due to Governmental Funds	-	-	-	26,045	-
Total Liabilities	\$ 2,552	3,406	-	-	273

See Independent Auditors Report and Notes to Financial Statements

Dzit Ditol'ooi School of Empowerment, Action & Perseverance (DEAP)	Estancia Valley Classical Academy	Explore Academy Charter	Gilbert L Sena Charter High School	GREAT Academy	Health Leadership High School
6,568	15,956	1,179	16,877	-	1,599
-	-	-	-	-	-
<u>6,568</u>	<u>15,956</u>	<u>1,179</u>	<u>16,877</u>	<u>-</u>	<u>1,599</u>
421	-	-	-	-	-
6,147	15,956	1,179	16,877	-	1,599
-	-	-	-	-	-
<u>6,568</u>	<u>15,956</u>	<u>1,179</u>	<u>16,877</u>	<u>-</u>	<u>1,599</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statements of Assets and Liabilities - Agency Funds (Continued)
June 30, 2017**

	<u>Horizon Academy West</u>	<u>International School at Mesa del Sol</u>	<u>J. Paul Taylor Academy</u>	<u>La Academia Dolores Huerta</u>	<u>La Jicarita Community School</u>
ASSETS					
Cash in Bank	\$ 32,054	8,100	36,238	11,352	-
Accounts Receivable	-	-	-	-	-
Total Assets	<u>\$ 32,054</u>	<u>8,100</u>	<u>36,238</u>	<u>11,352</u>	<u>-</u>
LIABILITIES					
Accrued Liabilities	\$ -	-	-	-	-
Deposits Held for Others	32,054	8,100	36,238	11,352	-
Due to Governmental Funds	-	-	-	-	-
Total Liabilities	<u>\$ 32,054</u>	<u>8,100</u>	<u>36,238</u>	<u>11,352</u>	<u>-</u>

See Independent Auditors Report and Notes to Financial Statements

La Promesa Early Learning Center	La Resolana Leadership Academy	La Tierra Montessori School of the Arts and Sciences	Las Montanas Charter School	The Masters Program	McCurdy Charter School
10,725	825	433	2,803	14,215	100,655
-	-	-	-	-	-
<u>10,725</u>	<u>825</u>	<u>433</u>	<u>2,803</u>	<u>14,215</u>	<u>100,655</u>
-	-	-	-	-	-
10,725	825	433	2,803	14,215	100,655
-	-	-	-	-	-
<u>10,725</u>	<u>825</u>	<u>433</u>	<u>2,803</u>	<u>14,215</u>	<u>100,655</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statements of Assets and Liabilities - Agency Funds (Continued)
June 30, 2017

	Media Arts Collaborative Charter School	Mission Achievement and Success	Monte Del Sol Charter School	Montessori Elementary School
ASSETS				
Cash in Bank	\$ 1,639	2,351	27,490	24,627
Accounts Receivable	-	-	-	-
Total Assets	\$ 1,639	2,351	27,490	24,627
LIABILITIES				
Accrued Liabilities	\$ -	-	-	-
Deposits Held for Others	1,639	2,351	27,490	24,627
Due to Governmental Funds	-	-	-	-
Total Liabilities	\$ 1,639	2,351	27,490	24,627

See Independent Auditors Report and Notes to Financial Statements

New America School	New America School of Las Cruces	New Mexico Connections Academy	New Mexico School for the Arts	North Valley Academy	Red River Valley Charter	Roots and Wings Charter
31	2,837	13	11,382	23,401	785	68
-	-	-	-	-	-	-
<u>31</u>	<u>2,837</u>	<u>13</u>	<u>11,382</u>	<u>23,401</u>	<u>785</u>	<u>68</u>
-	-	-	-	-	-	-
31	2,837	13	11,382	23,401	785	68
-	-	-	-	-	-	-
<u>31</u>	<u>2,837</u>	<u>13</u>	<u>11,382</u>	<u>23,401</u>	<u>785</u>	<u>68</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Combining Statements of Assets and Liabilities - Agency Funds (Continued)
 June 30, 2017

	Sage Montessori Charter School	Sandoval Academy for Bilingual Education	School of Dreams Academy	Six Directions Indigenous School
ASSETS				
Cash in Bank	\$ -	4,966	21,222	-
Accounts Receivable	-	-	-	-
Total Assets	\$ -	4,966	21,222	-
LIABILITIES				
Accrued Liabilities	\$ -	-	-	-
Deposits Held for Others	-	4,966	21,222	-
Due to Governmental Funds	-	-	-	-
Total Liabilities	\$ -	4,966	21,222	-

See Independent Auditors Report and Notes to Financial Statements

<u>South Valley Preparatory School</u>	<u>Southwest Aeronautics, Mathematics, and Science Academy</u>	<u>Southwest Intermediate Learning Center</u>	<u>Southwest Primary Learning Center</u>	<u>Southwest Secondary Learning Center</u>	<u>Taos Academy</u>
7,477	4,645	16,291	14,257	83,630	12,323
-	-	-	-	-	-
<u>7,477</u>	<u>4,645</u>	<u>16,291</u>	<u>14,257</u>	<u>83,630</u>	<u>12,323</u>
-	-	-	-	3,370	-
7,477	4,645	16,291	14,257	80,260	12,323
-	-	-	-	-	-
<u>7,477</u>	<u>4,645</u>	<u>16,291</u>	<u>14,257</u>	<u>83,630</u>	<u>12,323</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statements of Assets and Liabilities - Agency Funds (Continued)
June 30, 2017**

	<u>Taos Integrated School of Arts</u>	<u>Taos International Charter</u>	<u>Technology Leadership High School</u>	<u>Tierra Adentro</u>
ASSETS				
Cash in Bank	\$ 9,528	8,511	-	90,282
Accounts Receivable	-	-	-	-
Total Assets	<u>\$ 9,528</u>	<u>8,511</u>	<u>-</u>	<u>90,282</u>
LIABILITIES				
Accrued Liabilities	\$ -	-	-	-
Deposits Held for Others	9,528	8,511	-	90,282
Due to Governmental Funds	-	-	-	-
Total Liabilities	<u>\$ 9,528</u>	<u>8,511</u>	<u>-</u>	<u>90,282</u>

See Independent Auditors Report and Notes to Financial Statements

<u>Tierra Encantada Charter School</u>	<u>Turquoise Trail Charter School</u>	<u>Uplift Community School</u>	<u>Walatowa High Charter School</u>	<u>William W. & Josephine Dorn Charter Community School</u>	<u>Total Charter Schools</u>
17,620	33,039	631	17,845	-	786,286
-	-	-	-	-	-
<u>17,620</u>	<u>33,039</u>	<u>631</u>	<u>17,845</u>	<u>-</u>	<u>786,286</u>
-	-	-	-	-	3,791
17,620	33,039	631	17,845	-	756,450
-	-	-	-	-	26,045
<u>17,620</u>	<u>33,039</u>	<u>631</u>	<u>17,845</u>	<u>-</u>	<u>786,286</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NATURE OF ORGANIZATION

The State of New Mexico Public Education Department (Department) is responsible for establishing and implementing standards for education and providing administrative services, including school budgeting and reporting, and for educational and vocational rehabilitation programs in the State of New Mexico. Specific programs focus on a number of services, including regulatory enforcement, information dissemination, and vocational rehabilitation for physically and mentally handicapped citizens, and adjudication of disability and supplementary security claims for the general vocational rehabilitation program.

The elected 10-member Public Education Commission (Commission) serves in an advisory capacity in accordance with laws enacted by the New Mexico State Legislature during the 2004 Regular Session. The Commission has approved state-chartered status to 63 schools as reported in Volume III – XIII of these financial statements.

The chief executive officer of the Department of the Secretary of Education, a cabinet secretary appointed by the governor and confirmed by the New Mexico Senate. The Department's functions are administered through the Public Education Department (PED), the Division of Vocational Rehabilitation (DVR) and its subdivision, Disability Determination Services (DDS).

The financial statements for the Department have been prepared in accordance 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 standard – setting body for governmental accounting and financial reporting. 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 these accounting policies are described below.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. Certain GASB statements define the financial reporting entity as consisting of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such as exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Public Education Department is considered to be a department of the State of New Mexico and is reported as such in the State of New Mexico's Comprehensive Annual Financial Report.

Management has evaluated GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, and has determined that the State authorized Charter Schools ("Charter Schools") meet the criteria to be reported as discretely presented component units of the State of New Mexico (the Primary Government). However, as the Department is responsible for providing regulatory oversight of the Charter Schools, including them as discretely presented component units in the financial statements of the Department is an acceptable financial statement presentation. In addition, the Department has concluded that a financial benefit or burden relationship exists as the Department is entitled to the Charter School's resources and the Department is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the Charter Schools.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In further support of the Department reporting the Charter Schools as discretely presented component units, a technical inquiry was submitted to the GASB which identified that, while the GASB standards do not address the accounting and financial reporting for separately issued GAAP-based departmental financial statements, consideration should be made in meeting the Department's reporting obligations and should consider long-established practices. In applying all relevant GAAP to the Department's financial statements, the Charter Schools were determined to be required for inclusion as discretely presented component units since the Charter Schools are fiscally dependent on the Department and the Department is the entity with the financial benefit or burden relationship with the Charter Schools. The following 63 Charter Schools are considered to be discretely presented component units of the Department:

- Academy of Trades and Technology
- ACE Leadership High School
- Albuquerque Institute for Mathematics & Science
- Albuquerque School of Excellence
- Albuquerque Sign Language Academy
- Aldo Leopold High School
- Alma D'Arte Charter High School
- Amy Biehl Charter High School
- Anthony Charter School
- ASK Academy
- Carinos De Los Ninos Charter School
- Cesar Chavez Community School
- Cien Aguas International School
- Coral Community Charter
- Cottonwood Classical Preparatory School
- Dream Diné Charter School
- Dził Dít Ł'ooí School of Empowerment, Action & Perseverance (DEAP)
- Estancia Valley Classical Academy
- Explore Academy
- Gilbert L. Sena Charter High School
- Great Academy
- Health Leadership High School
- Horizon Academy West
- International School at Mesa Del Sol
- J. Paul Taylor Academy
- La Academia Dolores Huerta
- La Jicarita Community School
- La Promesa Early Learning Center
- La Resolana Leadership Academy
- La Tierra Montessori School of the Arts and Sciences
- Las Montanas Charter High School
- MASTERS Program
- McCurdy Charter School
- Media Arts Collaborative Charter School
- Mission Achievement and Success Charter School
- Monte del sol Charter School
- Montessori Elementary School
- New America School
- New America School of Las Cruces
- New Mexico Connections Academy
- New Mexico School for the Arts
- North Valley Academy
- Red River Valley Charter School
- Roots and Wings Community School
- Sage Montessori Charter School
- Sandoval Academy of Bilingual Education
- School of Dreams Academy
- Six Directions Indigenous School
- South Valley Preparatory School
- Southwest Aeronautics, Mathematics, and Science Academy
- Southwest Intermediate Learning Center
- Southwest Primary Learning Center
- Southwest Secondary Learning Center
- Taos Academy
- Taos Integrated School of the Arts
- Taos International Charter School
- Technology Leadership High School
- Tierra Adentro
- Tierra Encantada Charter School
- Turquoise Trail Charter School
- Uplift Community School
- Walatowa Charter High School
- William W. & Josephine Dorn Charter School

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The New Mexico Public Education Commission authorizes the Charter Schools, supervise the Charter Schools and operate under the Department. Financial statement reporting includes the Charter Schools in the Department's financial statements as discretely presented component units. Additionally, Charter School foundations are considered to be blended component units of the Charter Schools and have been included as a separate fund of the Charter Schools.

The Division of Vocational Rehabilitation is a separately appropriated division of the Department.

Basic Financial Statements. The basic financial statements include both governmental-wide (based on the Department as a whole) and fund financial statements. The reporting model focus is on either the Department as a whole, or its major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental activities. The Department is a single-purpose government entity and has no business-type activities. In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis and are reflected on the full accrual, economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term obligations.

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

The government-wide Statement of Activities reflects both the gross and net cost per functional category (education, labor, transportation, etc.) that are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function of an activity. The Department includes two functions (education and health & welfare). When an expense is incurred for purposes when both restricted and unrestricted resources are available, the department utilizes the restricted resources first.

The net cost by function is normally covered by general revenues (taxes, intergovernmental revenues, interest income, etc.). Historically, the previous model did not summarize or present net cost by function or activity. Since the Department only has one program, it does not employ indirect cost allocation in the financial statements.

Provided in the Combining and Individual Fund Statements and Schedules section of the financial statements is a breakdown of the government-wide financial statements showing the separately appropriated Division of Vocational Rehabilitation Statement of Net Position and Statement of Activities separate from the Department. These statements are for informational purposes only and are not presented in the basic financial statements.

This government-wide focus is more on the sustainability of the Department as an entity and the change in aggregate financial position resulting from the activities of the current fiscal period.

The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on the major funds. Non-major funds (by category) are summarized into a single column.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The governmental fund statements are presented on a current financial resource measurement focus and modified accrual basis of accounting. This presentation is deemed more appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Department's actual expenses conform to the budget or fiscal plan. Since the governmental fund statements are presented on different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund-based financial statements into government-wide presentation.

The Department's fiduciary funds are presented in separate statements since by definition these assets are being held for the benefit of a third-party and cannot be used to address activities or obligations of the government. As a result, these funds are not incorporated into the government-wide statements.

Basis of Presentation. The financial transactions of the Department are maintained on the basis of funds, each of which are considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, expenditures or expenses, and other financing sources or uses. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The funds of the Department are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and descriptions of each existing fund type follows:

Governmental Funds are used to account for the Department's general government activities, including the collection and disbursement of specific or legally restricted monies. Governmental funds include:

General Fund - The primary operating funds of the Department accounts for all financial resources, except those required to be accounted for in the other funds.

Special Revenue Funds - These funds account for the proceeds of specific revenue sources that are legally restricted for specified purposes.

Fiduciary Funds are assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the Department. Agency and trust funds are custodial in nature and do not involve measurement of results of operations.

Private-Purpose Trust Funds - These funds are used to account for trust arrangements under which principal or interest benefits specific individuals or originations, but not the reporting government.

Agency Funds - These are used to account for assets held on behalf of individuals, private organizations, governmental and/or other funds.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The major funds presented in the financial statements include the following:

General Funds

PED General Fund (SHARE Fund #05700) - The General Fund is the general operating fund of the Department. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is funded primarily from appropriations from the State of New Mexico General Fund. This is a reverting fund.

DVR General Fund (SHARE Fund #50000) - This fund accounts for all operations of the Division of Vocational Rehabilitation, except for those of Disability Determination Services. This is a non-reverting fund. This fund balance is reserved for subsequent year's expenditures and is considered major because of its importance. The DVR general fund can combine DVR SHARE fund #51900 in which the activity in this fund is comprised of a federal discretionary grant in which federal monies are provided to the State of New Mexico to provide financial assistance designed to maximize the ability of individuals of all ages with disabilities and their family members, guardians, advocates and authorized representatives to obtain assistive technology devices and assistive technology services. This program is funded entirely through federal funds and is a non-reverting fund per State Appropriation disclosure.

Special Revenue Funds-

Federal Department of Education Flowthrough (SHARE Fund #67300) - This fund is used to account for various grants from the United States Department of Education (USDE) to New Mexico Schools. The Department is responsible for the disbursement of such funds in accordance with USDE requirements (Title 34, Code of Federal Regulations). Appropriations to this fund do not revert to another fund at the end of the appropriation period.

Special Projects (SHARE Fund #79000) - This fund accounts for the receipts and disbursements of state special appropriations for a variety of projects, as appropriated by the State of New Mexico Legislature, and consists of reverting and non-reverting funds.

The Special Projects Flowthrough fund was established by the Legislature (48th Legislature, 1st Session, Chapter 28) and amended by Senate Bill 165 of 2008.

Public School Support Flowthrough (SHARE Fund #85800) - This fund is used in the accounting for distributions to school districts for the State Equalization Guarantee, Transportation, and Supplemental Distributions programs. Financing is provided through State General Fund appropriations. This is a reverting fund.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting. Basis of accounting refers to the point at which revenues or expenditures/ expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements and the fiduciary statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis. Under the accrual basis of accounting, revenues are recognized when earned and expenditures are recognized when incurred.

In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis using the economic resources measurement focus and the accrual basis of accounting, incorporating long-term assets and receivables as well as long-term debt and obligations.

Modified Accrual. All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e. both measurable and available) "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Department defines the term "available" to include funds received within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions and other monies held by other state and local agencies are recorded as receivables at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual.

Revenues from special appropriations (capital projects) that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions and other monies held by other State and local agencies are recorded as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received if they are not susceptible to accrual.

Expenditures are recorded as liabilities when incurred. An exception to this general rule is that accumulated unpaid annual, compensatory and certain sick leave are not accrued as current liabilities but as non-current liabilities at the government-wide level only. Expenditures charged to federal programs are recorded utilizing the cost principles described by the various funding sources.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33 (as it relates to non-exchange and exchange transactions), the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and unearned revenue by the recipient.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting. Per the General Appropriation Act, Laws for 2007, Chapter 28, Section 3, item N “For the purpose of administering the General Appropriation Act of 2007 and approving operating budgets, the State of New Mexico shall follow the modified accrual basis of accounting for governmental funds in accordance with the manual of Model Accounting Practices (MAP) issued by the Department of Finance and Administration.” The budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable that do not get paid timely must be paid out of the next year’s budget. Encumbrances related to single-year appropriations lapse at year-end. Each year the Legislature approves multiple year appropriations, which the State considers as continuing appropriations. The Legislature authorizes these appropriations for two to five years; however, it does not identify the authorized amount by fiscal year. Consequently, the appropriation is budgeted in its entirety the first year the Legislature authorizes it. The unexpended portion of the budget is carried forward as the next year’s beginning budget balance until either the project period has expired or the appropriation has been fully expended. The budget presentations in these financial statements are consistent with this budgeting methodology.

The budget-to-actual comparisons for the capital projects funds, which are based on multiple year appropriations budgets, are presented in supplemental schedules to the financial statements as Multi-Year Budgeted Schedules.

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

- No later than September 1, the Department submits to the Budget Division of DFA and the Legislative Finance Committee (LFC) an appropriations request for the fiscal year commencing the following July 1. The appropriation request includes proposed expenditures and the means of financing them.
- Budget hearings are scheduled with DFA and LFC. Budget recommendations are prepared by the above agencies. The two budget recommendations are submitted for the upcoming legislative session.
- Budget hearings are scheduled before the Appropriations Committee of the New Mexico House of Representatives and Senate. The final outcome of these hearings is incorporated into the General Appropriations Act.
- The Governor of the State of New Mexico signs the General Appropriations Act into law within the legally prescribed time limit.
- Not later than May 1, the Department submits an annual operating budget request to the Budget Division of DFA, which reviews the request and subsequently approves the budget based upon the appropriation made by the Legislature. All subsequent budget transfers and increases must be authorized by the Director of the Budget Division. The budgets for the year ended June 30, 2017 have been so adjusted.
- Legal budgetary control for expenditures and encumbrances is by category of the appropriation unit.
- Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund and Special Revenue Funds.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following funds were not budgeted in the fiscal year ended June 30, 2017 because there were no associated expenditures with them:

- Schools in Needs of Improvement (SHARE Fund #00500)
- Ed Tech Deficiency Correction Fund (SHARE Fund #20160)
- Adult Basic Education (SHARE Fund #45800)
- Charter School Stimulus (SHARE Fund #47000)
- Family Youth (SHARE Fund #33400)
- Adult Basic Education (SHARE Fund #45800)
- Charter School Stimulus (SHARE Fund #47000)
- Professional Development (SHARE Fund #56200)
- Incentive for school Improvement (SHARE Fund #56800)
- Reading Materials (SHARE Fund #58600)
- School Library (SHARE Fund #66900)
- PED ARRA Fund (PED SHARE Fund #89000)
- DVR ARRA Fund (DVR SHARE Fund #89000)
- Public School Capital Outlay (SHARE Fund #63500)
- Special Capital Outlay Severance Tax Bonds 2000 (SHARE Fund #81300)

The unexpended and unencumbered State General Fund appropriation to the Department lapses at year-end and reverts to the State General Fund. The Department may also receive funding from various special appropriations.

The language of a particular special appropriation determines when it lapses and whether or not unexpended and unencumbered balances revert to the State General Fund. See Note 16 for specific funds subject to annual reversion to State General Fund.

Cash Deposits. The Department is required by statute to deposit any money received into the State Treasury. Balances maintained at the end of the day are pooled and invested by the New Mexico State Treasurer in repurchase agreements. The New Mexico State Treasurer issues separate financial statements that disclose the collateral pledged to secure these deposits, categories of risk involved, and the market value of purchased investments, which may differ from the cash deposited by the Department.

Inter-Fund Receivables/Payables – Short-term. During the course of operations, numerous transactions occur among individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund balance sheets. Short-term inter-fund loans are classified as “inter-fund receivables/payables”.

Federal Grants Receivables. Amounts listed as “federal grants receivable” are reimbursements due for pass through funds. No allowance for uncollectible amounts has been made since these are expected to be reimbursed in full.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advances to Local Education Agencies. The Department passes through federal funding to the local school districts. The Department normally pays the school on a reimbursement basis, but the Department also advances funding to schools. Schools are required to spend the advanced funds in the school year budgeted. As the schools report their expenditures on a monthly basis, the Department relieves the receivable and records federal expenditures. Unspent funds are to be returned to the Department, which in turn are returned to the federal grantor by the Department. Because the Department has the ability to reduce funding in subsequent years to compensate for unspent funds that are returned, the advances are considered fully collectible.

Capital Assets. Equipment, software and computer equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at their fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The State’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Department does not capitalize any interest with regard to its capital assets.

In fiscal year 2006, the capitalization policy changed from \$1,000 to \$5,000 for capitalizing assets. The Department has elected to include assets that cost less than \$5,000 but equal to or more than \$1,000, and were purchased prior to July 1, 2005, on their capital asset inventory and financial statements.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Department utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Computing Equipment and Software	3 years
Equipment	5 to 7 years

Capital assets for the governmental funds are recorded on the government-wide financial statements.

Compensated Absences Payable. Accrued vacation up to 240 hours is recorded in the Statement of Net Position at 100% of the employee’s hourly wage. In addition, accrued sick leave over 600 and up to 720 hours, less the amount classified as current, is recorded in the Statement of Net Position at 50% of the employee’s hourly wage. Compensatory time is accrued at a rate of one and one-half hours for each hour of employment for which overtime compensation is required for those employees covered by the Fair Labor Standards Act (FLSA). Employees exempt from coverage by FLSA earn one hour of compensatory time for each overtime hour. The accrual for compensated absences is calculated at pay rates in effect at June 30, 2017, and includes direct and incremental salary related payments, such as the employees’ share of social security taxes.

Fund Balances. In the governmental fund financial statements, fund balances are classified as non-spendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State. Assigned fund balance is constrained by the Legislature’s and Executive Branch’s intent to be used for specific purposes or, in some cases, by legislation.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available for use, it is the Department's policy to use restricted resources first and then unrestricted resources. Any residual balances are classified using the default policy for unrestricted fund balance: committed amounts would be used first, followed by assigned amounts, and then unassigned amounts.

Net Position. The government-wide financial statements utilize a net position presentation. The net position is categorized as an investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets - is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The Department did not have any related debt during the year ended in June 30, 2017.

Restricted Net Position - are liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory, bond covenant or granting agency) limitations (legally restricted) on their use. The Department reported restricted net position at June 30, 2017.

Unrestricted Net Position - represents the excess of total assets over liabilities and investment in capital assets at June 30, 2017.

Inter-fund Transactions. Inter-fund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consideration.

Services provided, deemed to be at market value, are treated as revenues and expenditures. Reimbursements are when a fund incurs a cost, charges it to the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers between funds are netted at the government-wide level.

Uses of 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 the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Unearned Revenues. Various reimbursement procedures are used for federal awards received by the Department. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year end represent an excess of modified accrual basis expenditures over cash reimbursements received to date. Conversely, unearned revenue balances represent an over-draw of cash (advances) in excess of modified accrual basis expenditures. Generally, receivable or unearned revenue balances caused by differences in the timing of cash reimbursements and expenditures will be reversed or returned to the grantor in the remaining grant period.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources. In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Also, in addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2017, the Department reported no deferred outflows or inflows of resources while it's discretely presented component units reported deferred outflows and inflows of resources as a result of the implementation of GASBS No. 68, *Accounting and Financial Reporting for Pensions*.

Severance Tax Bonds Proceeds. While the Department receives severance tax bond proceeds appropriated to the capital projects funds for projects specified by the Legislature, it has no obligation for repayment of the bonds and reports not liability for severance tax bonds payable in its financial statements. These bonds are obligations of the State of New Mexico's Comprehensive Annual Financial Report, or CAFR, issued by the State of New Mexico's Controller's Office. The CAFR can be obtained by contacting the State Controller at the Bataan Memorial Building, Santa Fe, New Mexico 87501.

NOTE 2. STATE GENERAL FUND INVESTMENT POOL

Compliant with statute 6-10-3 (NMSA 1978), and to optimize state cash management and investment practices, funds of various state agencies are deposited in the State General Fund Investment Pool (SGFIP). This pool is managed by the New Mexico State Treasurer's Office (STO). Claims on the SGFIP are reported as financial assets by the various agencies investing in the SGFIP.

In fiscal year 2015, the Financial Control Division implemented a reconciliation process that compares statewide agency claims against the resources held in the SGFIP at STO. The claims to resources reconciliation process has been successfully applied to fiscal year end 2017.

Resources are sufficient to cover claims and there is no need to adjust any specific business unit claim on the SFGIP. All claims will be honored at face value.

As part of the Department's cash controls, all incoming funds and outgoing disbursements are tracked to ensure transactions are properly entered into SHARE and post to the general ledger. Additionally, at year end the Department performs a cash analysis on all funds to ensure the activity affecting the cash accounts properly reflect the ending balances at year end. The Department also does not issue third-party disbursements that may materially affect the Department's financial statements.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 3. INTEREST IN THE STATE GENERAL FUND INVESTMENT POOL (SGFIP)

State law (Section 8-6-3 NMSA 1978) requires the Department’s cash be managed by the New Mexico State Treasurer’s Office. Accordingly, the investments of the Department consist of an interest in the SGFIP managed by the New Mexico State Treasurer’s Office.

At June 30, 2017 the Department had the following interest in the SGFIP:

Investment in State General Fund Investment Pool - Primary Government	\$ 89,121,621
Investment in State General Fund Investment Pool - Agency Fund	\$ 5,421,446
Investment in State General Fund Investment Pool - Private Purpose Trust	\$ 45,651

Interest Rate Risk. The New Mexico State Treasurer’s Office has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The SGFIP is not rated for credit risk.

Custodial Credit Risk. The cash on deposit with the New Mexico State Treasurer’s SGFIP is monitored by the office for purposes of collateralization in compliance with Section 6-10-17, NMSA 1978. The Department has been authorized by the NM State Treasurer’s Office to carry a negative cash balance (cash overdraft) due to the administration of the cost grants. Cash overdrafts listed as due to State General Fund Investment Pool are shown below.

Investment in State General Fund Investment Pool - Overdraft	\$14,704,899
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For further information regarding the SGFIP, please see the State Treasurer’s annual audit report and specifically refer to the GASB 40 disclosure of the investments. That report may be obtained by writing to the New Mexico State Treasurer’s Office, P.O. Box 608, Santa Fe, NM 87504-0708.

NOTE 4. CASH AND INVESTMENTS

The Eva Lou Kelly Scholarship trust fund has a certificate of deposit with a local bank. The certificate matures February 18, 2018. The interest rate is 0.85%, payable monthly. The certificate is fully insured by the FDIC and in the name of the trust fund. Market value approximates cost.

Washington Federal Savings, Santa Fe, NM	
Certificate of Deposit	\$ 20,000
FDIC Insurance	<u>(20,000)</u>
Uninsured Amount	<u>\$ -</u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Department does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 5. DUE FROM OTHER STATE AGENCIES

Transactions that occur among state agencies under legislative mandate, exchange transactions and other situations are accounted for in the financial statements which are made up the due from and due to (Note 6) other state agencies. As of June 30, 2017, due from other state agencies consists of the following:

Share Fund No.	Agency	Other Agency No.	Amount
05700	Department of Homeland Security	79500	\$ 14,627
05700	Human Services Department	63000	4,971
05700	Secretary of State	37000	216
Total Due from Other State Agencies			\$ <u>19,814</u>

NOTE 6. DUE TO OTHER STATE AGENCIES

Total due to other state agencies at June 30, 2017 is as follows:

Share Fund No.	Agency	Other Agency No.	Amount
05700	Educational Retirement Board	35200	\$ 105,620
63300	Department of Higher Education	95000	50,000
67200	Children, Youth & Families Department	69000	26,576
79000	Department of Finance & Administration	34103	36,636
67200	Department of Military Affairs	70500	7,948
81600	Department of Finance & Administration	34103	24,347
84400	Department of Health	66500	733,910
84400	Children, Youth & Families Department	69000	964,319
84400	NM Attorney General's Office	30500	14,839
Total			\$ <u>1,964,195</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 7. CAPITAL ASSETS

A summary of changes in capital assets at June 30, 2017 is as follows:

	<u>Balance June 30, 2016</u>	<u>Adjustment Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
PED:				
Equipment	\$ 1,398,954	52,436	-	1,451,390
Art Acquisitions	5,800	-	-	5,800
Total PED	<u>1,404,754</u>	<u>52,436</u>	<u>-</u>	<u>1,457,190</u>
DVR/DDS:				
Equipment	1,142,272	384,039	(14,279)	1,512,032
Total Department:				
Equipment	2,541,226	436,475	(14,279)	2,963,422
Art Acquisitions	5,800	-	-	5,800
Subtotal	<u>2,547,026</u>	<u>436,475</u>	<u>(14,279)</u>	<u>2,969,222</u>
Accumulated Depreciation:				
PED- Equipment	(1,225,376)	(117,717)	-	(1,343,093)
DVR/DDS- Equipment	(809,318)	(128,503)	14,279	(923,542)
Subtotal	<u>(2,034,694)</u>	<u>(246,220)</u>	<u>14,279</u>	<u>(2,266,635)</u>
Total	<u>\$ 512,332</u>	<u>190,255</u>	<u>-</u>	<u>702,587</u>

Depreciation expenses were charged to functions in the Department for the year ended June 30, 2017 are as follows:

Public Education Department		
Education	\$	117,717
Division of Vocational Rehabilitation		
Health and Welfare		128,503
Total Department	\$	<u>246,220</u>

NOTE 8. COMPENSATED ABSENCES

A summary of changes in compensated absences for the year ended June 30, 2017 is as follows:

	<u>Balance June 30, 2016</u>	<u>Increase</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>	<u>Current Portion</u>
PED	\$ 747,827	1,513,011	(1,450,092)	810,746	810,746
DVR/DDS	582,820	1,037,356	(1,037,159)	583,017	583,017
Total	<u>\$ 1,330,647</u>	<u>2,550,367</u>	<u>(2,487,251)</u>	<u>1,393,763</u>	<u>1,393,763</u>

PED compensated absences are typically liquidated with SHARE fund No. 05700 and No. 84400 resources. DVR/DDS compensated absences are typically liquidated with SHARE fund No. 50000 and No. 50100 resources. These compensated absences balances are paid within one year.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 9. SPECIAL, SUPPLEMENTAL, AND DEFICIENCY APPROPRIATIONS

A summary of the Special appropriations included in fund 79000 is as follows:

<u>PED</u>	<u>Appropriation Period</u>	<u>Appropriation Amount</u>	<u>Expenditure to Date</u>	<u>Reserve Fund Balance</u>	<u>Remaining Balance to Revert</u>
Laws 2016, Chapter 11, Sec. 5,	2016-2017	\$ 2,000,000	(1,996,904)	-	3,096
Laws 2016, Chapter 11, Sec. 5,	2016-2017	2,000,000	(2,000,000)	-	-
Laws 2016, Chapter 11, Sec. 5,	2016-2017	1,200,000	(1,198,394)	-	1,606
Laws 2016, Chapter 11, Sec. 5,	2016-2017	1,500,000	(1,500,000)	-	-
Laws 2016, Chapter 11, Sec. 5,	2015-2017	2,000,000	(2,000,000)	-	-
Total 2017 before MOE		<u>\$ 8,700,000</u>	<u>(8,695,298)</u>	<u>-</u>	<u>4,702</u>

SPECIAL APPROPRIATIONS - HOUSE BILL 2

\$1,500,000 - Except for the one million five hundred thousand dollars (\$1,500,000) contained in item 58 in this section, the general fund appropriations to the public education department in Subparagraphs (a) through (u) of the public education department special appropriations in Subsection I of Section 4 of Chapter 101 of Laws 2015 are re-appropriated and extended through fiscal year 2017 for the same purpose.

\$2,000,000 - For emergency support to school districts experiencing shortfalls. All requirements for distribution of funds shall be in accordance with Section 22-8-30 NMSA 1978.

\$1,200,000 - For legal fees related to funding formula lawsuit.

\$2,000,000 - The period of time for expending the two million dollars (\$2,000,000) appropriated from the general fund to the public education department in Subsection 57 of Section 5 of Chapter 101 of Laws 2015 for emergency support to school districts experiencing shortfalls and the two million dollars (\$2,000,000) appropriated from the general fund to the supplemental distribution of public school support in Paragraph 3(b) of Subsection K of Section 4 of Chapter 101 of Laws 2015 for support to school districts experiencing shortfalls is extended through fiscal year 2017.

\$1,500,000 - Up to one million five hundred thousand dollars (\$1,500,000) of the general fund appropriations made to the public education department special appropriations in Subparagraphs (a), (m) and (o) through (u) of Subsection I of Section 4 of Chapter 101 of Laws 2015 shall not revert at the end of fiscal year 2016 and are re-appropriated for distribution to classroom teachers to purchase classroom supplies and to support the department's teacher advisory and training support initiative in fiscal year 2017.

\$1,000,000 - The period of time for expending up to one million dollars (\$1,000,000) appropriated from the general fund to the public education department in Subsection 56 of Section 5 of Chapter 101 of Laws 2015 for distribution to classroom teachers to purchase classroom supplies is extended through fiscal year 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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NOTE 10. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including accounts 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 Department expects such amounts, if any, to be immaterial.

The State did not meet its required level of financial support for the Special Education Cluster of programs for fiscal years 2011 and 2012. As a result, the Department may have a one-time reduction of future federal funding. Management's estimate of the potential one-time reduction in federal funding ranges from \$0 to \$63,491,592.

Litigation. There are several pending and/or threatened lawsuits in which the Department is involved. Generally, these matters are insured by the Risk Management Division (RMD) of the New Mexico General Services Department. The Department's attorneys estimate that the potential claims against the Department not covered by insurance resulting from such litigation would not materially affect the financial statements of the Department.

State authorized charter schools' debt. If state authorized charter schools' debts violate debt convent terms and conditions, in addition to insufficient funds from banking institutions, the debts become the direct responsibility of the Department. The Department may become obligated to satisfy state authorized charter schools' debts only to the extent of the debt and for the purpose of guaranteeing payment of the insufficient funds within the state funds that have deficits.

Lease Commitments. The Department has commitments for office space and equipment under operating lease agreements. Lease terms for office space range from one to eleven years and generally contain renewal options. Lease terms for office equipment range from one to five years. Rental expenditures for the year ended June 30, 2017, totaled \$3,060,389. Future minimum lease payments are as follows and are based on the actual lease terms and have not been discounted:

Year Ending June 30,		PED	DVR/DDS	Total
2018	\$	315,892	2,569,457	2,885,349
2019		315,892	1,579,926	1,895,818
2020		315,892	1,163,587	1,479,479
2021		315,892	593,748	909,640
2022		315,892	515,160	831,052
Thereafter		785,344	1,878,376	2,663,720
Total	\$	<u>2,364,804</u>	<u>8,300,254</u>	<u>10,665,058</u>

NOTE 11. PENSION PLAN – PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION AND EDUCATIONAL RETIREMENT BOARD

Compliant with the requirements of GASBS No. 68, *Accounting and Financial Reporting for Pensions*, the State of New Mexico has implemented the standard for the fiscal year ending June 30, 2017.

The Department, as part of the primary government of the State of New Mexico, is a contributing employer to two cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees' Retirement Association (PERA) and Educational Retirement Board (ERB). Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Component Appropriation funds Annual Financial Report (General Fund) and the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 11. PENSION PLAN – PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION AND EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of the primary government will be contained in the General Fund and the CAFR and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico 87501.

NOTE 12. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (DISCRETELY PRESENTED COMPONENT UNITS)

Plan Description: The New Mexico Educational Retirement Act (ERA) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB’s comprehensive annual financial report. The report can be found on NMERB’s Web site at https://www.nmerb.org/Annual_reports.html.

The Plan is a cost-sharing, multiple-employer pension 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 state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-52, NMSA 1978, as amended.

The Plan is considered a component unit of the State’s financial reporting entity.

The ERA assigns the authority to establish and amend benefit provisions to a seven-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the Plan which is a pension benefit trust fund of the State of New Mexico. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined Section 22-11-2, NMSA 1978. Employees of public schools, universities, colleges, junior colleges, technical-vocational institutions, state special schools, charter schools, and state agencies providing an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

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 other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions is as follows:

Summary of Plan Provisions for Retirement Eligibility. 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 as follows: the member’s age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

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PUBLIC EDUCATION DEPARTMENT
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June 30, 2017**

**NOTE 12. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (DISCRETELY PRESENTED COMPONENT UNITS)
(CONTINUED)**

Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements: The member's minimum age is 55, and has earned 30 or more years of service credit; those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55; the member's minimum age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits; the member's age is 67, and has earned 5 or more years of service credit.

Forms of Payment. 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 reduced to provide for a 50% survivor's benefit.

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

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
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**NOTE 12. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (DISCRETELY PRESENTED COMPONENT UNITS)
(CONTINUED)**

Contributions. See the individual discretely presented component units notes to the financial statements in Volumes III through XIII for contribution requirements of defined benefit plan members as established in state statute under Chapter 10, Article 11, NMSA 1978.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. See the individual discretely presented component units notes to the financial statements in Volumes III through XIII for disclosure of each charter school’s net pension liability, related pension expense, deferred outflows of resources and deferred inflows of resources.

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus .75% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service.
Investment Rate of Return	7.75% compounded annually, net of expenses. This is made up of a 3.00% inflation rate and a 4.75% real 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.) developed for each major asset class.
Average of expected Remaining Services Lives	3.77 years

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June 30, 2017**

**NOTE 12. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (DISCRETELY PRESENTED COMPONENT UNITS)
(CONTINUED)**

Mortality	<p>Healthy males: Based on the RP-2000 Combined Mortality Table with White Collar adjustments, generational mortality improvements with Scale BB.</p> <p>Healthy females: Based on GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with Scale BB from the table's base year of 2012.</p> <p>Disabled males: RP-2000 Disabled Mortality Table for males, set back three year, projected to 2016 with Scale BB.</p> <p>Disabled females: RP-2000 Disabled Mortality Table for females, no set back, projected to 2016 with Scale BB.</p> <p>Active members: RP-2000 Employee Mortality Tables, with males set back two years and scaled at 80%, and females set back five years and scaled at 70%. Static mortality improvement from the table's base year of 2000 to the year 2016 in accordance with Scale BB. No future improvement was assumed for preretirement mortality.</p>
Retirement Age	Experience-based table rates based on age and service, adopted by the Board on June 12, 2015 in conjunction with the six-year experience study for the period ending June 30, 2014.
Cost-of-Living increases	2% per year, compounding annually
Contribution accumulation	5% increase per year for all years prior to the valuation date. (contributions are credited with 4.0% interest, compounded annually, applicable to the account balance in the past as well as the future).
Disability Incidence	Approved rates applied to eligible members with at least 10 years of service.

The actuarial assumptions and methods are set by the Plan's Board of Trustees, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on June 12, 2015 in conjunction with the six-year actuarial experience study period ending June 30, 2014. At that time, the Board adopted several assumption changes, which included a decrease in the annual wage inflation rate from 4.25% to 3.75%, and changes to the mortality rates, disability rates, and retirement rates for members who joined the plan after June 30, 2010. In addition, the Board lowered the population growth rate assumption to zero.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

**NOTE 12. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (DISCRETELY PRESENTED COMPONENT UNITS)
(CONTINUED)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	35%	
Fixed income	28%	
Alternatives	36%	
Cash	1%	
Total	100%	7.75%

Discount Rate. A single discount rate of 7.75% was used to measure the total pension liability as of June 30, 2016. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.75%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

Sensitivity of each discretely presented component unit’s proportionate share of the net pension liability to changes in the discount rate. See the individual discretely presented component units notes to the financial statements in Volumes III through VI for disclosure of sensitivity to each charter school’s proportionate share of its net pension liability to changes in the discount rate.

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, 2016 and 2015 which are publicly available at www.nmerb.org.

Payables to pension plan. See the individual discretely presented component units notes to the financial statements in Volumes 3 through 11 for disclosure on pension plan payables.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

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

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. In the fiscal year ending June 30, 2017, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary and each participating employee was required to contribute 1.25% of their salary. 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 Department's contributions to the RHCA for the years ended June 30, 2017, 2016 and 2015 were \$538,432, \$519,348, and \$489,772, respectively, which equal the required contributions for each year.

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NOTE 14. RISK MANAGEMENT

The Department, as a State Agency defined in the New Mexico Tort Claims Act, is insured through the Risk Management Division of the General Services Department of the State of New Mexico.

Annual premiums are paid by the Department to the Risk Management Division for coverage provided in the following areas:

- Liability and civil rights protection for claims made by others against the State of New Mexico;
- Coverage to protect the State of New Mexico's property and assets; and
- Fringe benefit coverage for State of New Mexico employees.

At June 30, 2017, the Department had no claims that Risk Management Division returned as not covered, which would become the responsibility of the Department. To obtain the separately issued financial statements, contact General Services Department, PO Box 26110, Santa Fe, New Mexico 87502-6110.

NOTE 15. REVERSIONS

The following activity for reversions to the State General Fund occurred during fiscal year ended June 30, 2017:

Fund	Revisions Payable June 30, 2016	Paid to State General Fund During FY 17*	FY 17 Additions to Reversions	FY17 Reversions Paid in FY17	Reversions Payable June 30, 2017
05700	\$ 63,126	63,126	12,260	12,260	-
11420	-	-	1,006,146	1,006,146	-
66200	-	-	52	-	50
79000	176,646	176,646	8,362,590	8,351,373	14,005
81800	-	-	36,620	-	36,620
85600	-	-	20,444,494	20,444,494	-
85800	7,417,960	7,186,573	76,500,364	76,500,364	-
93100	-	-	34,680	-	34,680
Total	\$ 7,657,732	7,426,345	106,457,206	106,374,637	85,355

In accordance with statute Section 6-5-10 (A) NMSA 1978, all unreserved, undesignated fund balances in reverting funds and accounts as reflected in the central accounting system as of June 30 shall revert. A total of \$106,374,637 was paid to the State General Fund during the year. \$85,355 is payable at June 30, 2017.

**STATE OF NEW MEXICO
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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 16. NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUNDS

SHARE

Fund #

SPECIAL REVENUE FUNDS

- 00500 Schools in Need of Improvement. This fund is used to make school improvements to school districts in need of upgrades. This fund was created by New Mexico Legislature at 22-2C-10 NMSA 1978. Appropriations to this fund do not revert back to another fund at the end of their appropriation period.
- 11420 K-3 Plus. The purpose of this fund is to provide funding for additional educational time for students in the kindergarten through third grade. K-3 Plus shall be administered by the department and shall provide the funding for approved full-day kindergarten and grades 1-3 to be extended by at least 25 instructional days beginning up to two months earlier than the regular school year (22-13-28 NMSA 1978). Appropriations to this fund do not revert at the end of the appropriation period.
- 20160 Educational Technology Deficiency Correction. Money in the fund is appropriated for the purpose of implementing the provisions of the Technology for Education Act (NMSA 1978 § 22-15A-1). This is a state funded project (NMSA 1978 § 22-15A-8 and NMSA 1978 § 22-15A-11). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 20550 School Transportation Training. The fund is created in the state treasury. The fund consists of payments from school districts and charter schools for school transportation training workshops and other school transportation training described in rule provided by the public education department, income from investment of the fund and money otherwise accruing to the fund. Money in the fund shall not revert to any other fund at the end of a fiscal year (22-2-22 NMSA 1978).
- 20570 Independent Living Services. This fund was created under Section 6-3-23 through 6-3-25 NMSA 1978 to build the FY15 agency budget in SHARE to mirror revenue appropriated by other acts of legislature. In previous fiscal years, Independent Living Services was combined within the Rehabilitation Services Program (Fund 50000), and for transparency purposes, NMDVR separated it and created the new fund 20570.
- 30800 Private Grants. This fund was created to receive private education grants to enhance skills of educators and to support education initiatives to benefit students and innovation in the classroom.
- 33400 Family Youth. The purpose of this fund is to provide an intermediary for students and their families at public schools to access social and health care services (NMSA 1978, 22-2D-3). Appropriations to this fund do not revert to another fund at the end of the appropriation period.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 16. NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUNDS (CONTINUED)

SHARE

Fund #

SPECIAL REVENUE FUNDS (CONTINUED)

39700	<u>Educator Certification.</u> Educator Certification funds are collected from application fees for certification or for renewal of certification by the Public Education Department of New Mexico. Monies in the fund are for the purpose of funding the educator background check program (NMSA 1978, § 22-10A-5). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
45800	<u>Adult Basic Education.</u> The Adult Basic Education fund is used to account for all financial activities of the adult basic education program. The fund was established by an act of the New Mexico State Legislature (NMSA 1978, 22-8-30.1). Appropriations to this fund do not revert to another fund at the end of the appropriation period. Amounts were transferred to New Mexico Higher Education Department.
47000	<u>Charter School Stimulus.</u> To account for state general fund appropriations to be used to stimulate charter schools (NMSA 1978, 22-8B-14). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
50100	<u>Disability Determination Services.</u> This fund accounts for the operations of the Disability Determination Services Unit. This is a non-reverting fund. This fund balance is considered major because of its importance to the users of the financial statements.
51300	<u>Pre-Kindergarten.</u> The purpose of this fund is to address the total developmental needs of preschool children, including physical, cognitive, social and emotional needs, and shall include healthcare, nutrition, safety and multicultural sensitivity (NMSA 1978, 32A-23-4). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
56200	<u>Professional Development.</u> The Teacher Professional Development Fund is to provide professional development programs and projects for public school teachers (NMSA 1978, 22-8-45). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
56800	<u>Incentive for School Improvement.</u> Incentives for School Improvement are funds from the State General Fund appropriated to the Department. The fund is used to account for financial incentives to individual schools that exceed expected academic performance (NMSA 22-2C-10). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
63300	<u>Indian Education Act.</u> To gain tribal involvement and to ensure the maintenance of native languages (NMSA 22-23A-8). Appropriations to this fund do not revert to another fund at the end of the appropriation period.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 16. NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUNDS (CONTINUED)

SHARE

Fund #

SPECIAL REVENUE FUNDS (CONTINUED)

- 63900 Kindergarten Plus. The purpose of the fund is to deposit grants and donations for the "Kindergarten Plus" pilot project. Money shall be expended in accordance with the terms of the grants and donations. Unless otherwise specified by the terms of the grant or donation, money in the fund at the end of the pilot project shall revert to the general fund. There have not been any grants and donations and in FY 07 appropriations have been returned to the Special Appropriations Fund 79000. Section 22-2-20 NMSA 1978 created a three-year study which was extended into a six-year study during the 2006 Legislative Session (HB 43).
- 66000 Instructional Materials Adoption. The purpose of this fund is to provide for the review and adoption of instructional materials from the collection of publishers fees (NMSA 22-15-8.1). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 66200 Education Technology. Education Technology are funds from the State General Fund appropriated to the Department. The fund is used to account for all financial resources of the 1994 Education Technology program. This is a state funded project (NMSA 1978, § 22-15A-1 to 22-15A-10). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 67200 Federal Food Services. The Federal School Food Services Flowthrough fund is used to account for federal grants to New Mexico schools for food services. The Department, as fiscal agent for the United States Department of Agriculture, is responsible for disbursing funds for such services in accordance with individual grant requirements (Title 7, Code of Federal Regulations Parts 210 and 245). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 67400 Vocational Education Flow-through. This fund accounts for federal grant funds for vocational education. This is a non-reverting fund.
- 72500 Public Building Energy Efficiency Act. Public Building Energy Efficiency Act is funds from the State General Fund appropriated from the State Equalization Guarantee Fund that are distributed by the Department to participating school districts (NMSA 1978, § 6-23-1 and § 22-8-25). This is a reverting fund.
- 84400 Federal Department of Education Administration. The fund accounts for administrative expenses except those required to be accounted for in another fund. It is funded primarily from appropriations from grant funds. This is a non-reverting fund.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 16. NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUNDS (CONTINUED)

SHARE

Fund #

SPECIAL REVENUE FUNDS (CONTINUED)

- 85600 Instructional Materials Flowthrough. The fund accounts for monies for the purchase of textbooks and instructional materials, as appropriated by the New Mexico Legislature, and consists of monies from receipts of the Federal Mineral Lands Leasing Act. Revenues are received in this fund by the Department, as fiscal agent, and are subsequently disbursed for the benefit of the individual schools in New Mexico (NMSA 1978, § 22-15-1 to 22-15-14). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 88900 Transportation Emergency. This fund is used to make distributions of state funds to districts experiencing transportation emergencies (NMSA 1978, 22-8-29.6). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 89000 PED American Recovery and Reinvestment Act (ARRA). The American Recovery and Reinvestment Act (ARRA) Fund was established in 2009, and is funded by the Federal government. This is a non-reverting fund.
- 89000 DVR American Recovery and Reinvestment Act (ARRA). The American Recovery and Reinvestment Act (ARRA) Fund was established in 2009, and is funded by the Federal government. This is a non-reverting fund.

CAPITAL PROJECTS FUNDS

- 63400 Public School Capital Improvements. The Public School Capital Improvements fund accounts for the proceeds from bond sales issued under the provisions of the Public School Capital Improvements Act (NMSA 1978, § 22-25-1 and 22-25-10). Funds remaining after the completion of capital projects are to be reverted.
- 63500 Public School Capital Outlay. The Public School Capital Outlay fund accounts for the proceeds from bond sales issued under the provisions of the Public School Capital Outlay Act (NMSA 1978, 22-24-1 and 22-24-6). Funds remaining after the completion of capital projects are to be reverted.
- 81300 Special Capital Outlay — Severance Tax Bonds (2000). The fund, established in 2000, accounts for severance tax bond proceeds appropriated for special capital outlay projects (Laws of 2000, Chapter 23, Section 16). Funds remaining after the completion of capital projects are to be reverted.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 16. NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUNDS (CONTINUED)

SHARE

Fund #

CAPITAL PROJECTS FUNDS (CONTINUED)

81600	<u>Special Capital Outlay — Severance Tax Bonds (2004)</u> . The fund, established in 2004, accounts for severance tax bond proceeds appropriated to the Public Education Department. Funds remaining after the completion of capital projects are to be reverted.
81800	<u>Special Capital Outlay — General Fund</u> . The fund, established in 2000, accounts for general fund appropriations for special capital outlay projects (Laws of 2000, Chapter 23, Section 45). Funds remaining after the completion of capital projects are to be reverted.
89200	<u>STB Capital Outlay</u> . The Public School Capital Improvements fund accounts for the proceeds from bond sales issued under the provisions of the Public School Capital Improvements Act (NMSA 1978, § 22-25-1 and 22-25-10) and direct appropriations funded through Severance Tax Bonds. Funds remaining after the completion of capital projects are to be reverted.
93100	<u>General Fund Capital Outlay</u> . The fund accounts for direct general fund appropriations for special capital outlay projects. Funds remaining after the completion of capital projects are to be reverted.

NOTE 17. TRANSFERS IN AND TRANSFERS OUT

Interagency Transfers

From (Agency)	To (Fund)	Description	Amount
(60900)	(63300)	Indian Affairs Department	\$ 15,000
(DVR)	(50000)	Division of Vocational Rehabilitation	72,504
Total Interagency Transfer In			\$ 87,504

From (Fund)	To (Agency)	Description	Amount
(92400)	(91000)	Higher Education Department	\$ 235,674
(92400)	(69000)	Children Youth & Families Department	1,156,838
(92400)	(66500)	New Mexico Department of Health	5,420,702
Total Interagency Transfers Out			\$ 6,813,214

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 18. GOVERNMENTAL FUND BALANCES - RESTRICTED AND COMMITTED

The Department's fund balances represent: (1) Restricted Purposes which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (2) Committed Purposes which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches. A summary of the nature and purpose of these reserves by fund type at June 30, 2017, follows:

<u>Fund/ Program</u>	<u>Laws</u>	<u>Committed Purpose</u>	<u>Restricted Purpose</u>
General Fund:			
PED General Fund	Administratively Created	\$ 701,925	-
DVR General Fund	Administratively Created	-	965,518
Total General Fund:		<u>\$ 701,925</u>	<u>965,518</u>
<u>Fund/ Program</u>	<u>Laws</u>	<u>Committed Purpose</u>	<u>Restricted Purpose</u>
Capital Improvement Projects:			
Public School Capital Improvement	NMSA 22-25-10, 1978	\$ -	65,211
Public School Capital Outlay	NMSA 22-24-1, 1978	1,103,044	-
Special Capital Outlay Severance Tax Bonds 2000	Law of 2000, Chapter 23, Section 16	-	37,097
Special Capital Outlay Severance Tax Bonds 2004	NMSA 7-27-12, 1978	-	157,620
Total Capital Improvement Projects		<u>\$ 1,103,044</u>	<u>259,928</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 18. GOVERNMENTAL FUND BALANCES - RESTRICTED AND COMMITTED (CONTINUED)

Fund/ Program	Laws	Committed Purpose	Restricted Purpose
Special Revenue:			
Federal Department of Education Flowthrough	Title 34, Code of Federal Regulations	\$ -	5,253,296
Special Projects	48th Legislature, 1st Session, Ch 28 and amended by Senate Bill 165 of 2008	-	14,750,034
Schools in Need of Improvement K-3 Plus	NMSA 22-2-10C 1978 2012, Chapter 19, Sec. 4 item 1	467 -	- 2,827,879
Ed Tech Deficiency Correction Fund	NMSA 22-15A-1 1978, NMSA 22-15A- 8 1978, and NMSA 22-15A-11 1978	60	-
School Transportation Training	NMSA 22-2-22	-	37,372
Independent Living Services	NMSA 6-3-23 through 6-3-25	-	294,789
Private Grants	N/A - Donor Restricted	-	203,889
Family Youth	NMSA 22-2D-3	1,184	-
Educator Certification	NMSA 22-10-4.1 1978	-	1,185,034
Charter School Stimulus	NMSA 22-8B-14 1978	14,292	-
Pre-Kindergarten	GF Appropriation Laws of 2009, Ch. 124 Section 4; HSD/PED agreement GSA #11-630-9000-0014	6,078,707	-
Professional Development	NMSA 22-8-45 1978	80,584	-
Incentive for School Improvement	NMSA 22-2C-10 1978	82,152	-
Reading Materials	NMSA 22-15-8.2 1978	-	-
Indian Education Act	NMSA 22-23A-8 1978	2,456,928	-
Federal Food Services	Title 34, Code of Federal Regulations	-	204,002
Kindergarten Plus	NMSA 22-20 1978	-	89,687
Instructional Materials Adoption	NMSA 22-15-8.1 1978	-	218,754
Education Technology	NMSA 22-15A-1 to 22-15A-10 1978	14,263	-
School Library	NMSA 22-15c-3 1978	-	-
Public Building Energy Efficient Act	NMSA 6-23-10 1978	-	48,948
Public School Support Flowthrough	NMSA 22-8-14 1978	-	3,926,513
Instructional Materials Flowthrough	NMSA 22-15-1 to 22-15-25 1978	-	102,078
Transportation Emergency	NMSA 28-8-29.6 1978	1,288,974	-
Recovery Act Funds	Administratively Created	-	184
Total Special Revenue		<u>11,120,655</u>	<u>29,906,575</u>
		\$ <u>11,822,580</u>	<u>31,132,021</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 19. DEFICIT FUND BALANCE

The following funds had deficit fund balances at June 30, 2017:

Public School Support Flowthrough	PED (85800)	\$(867,009)
Adult Basic Education	PED (45800)	\$(25,733)
Disability Determination Services	DVR (50100)	\$(104,422)
Vocational Education Flowthrough	PED (67400)	\$(708,303)
PED ARRA	PED (89000)	\$(292)
Special Capital Outlay- General	PED (81800)	\$(158,686)
STB Capital Outlay	PED (89200)	\$(66,200)
GF Capital Outlay	PED (93100)	\$(6,551)

The Department is addressing the negative fund balances and is planning to take the appropriate actions to eliminate the negative balances.

NOTE 20. CHANGE IN ACCOUNTING PRINCIPLE

Net position as of July, 1, 2016, has been restated as follows for the implementation of a policy change mandated by the New Mexico Department of Finance Administrative for the ending year June 30, 2017. All agencies shall cease reporting the LGPF as an asset in their financial statements, as it will be reported at the State-wide level. PED is removing the State Support Reserve (85700). The State Support Reserve fund is used to augment the appropriations for the State Equalization Guarantee distribution in order to ensure to the extent of the amount undistributed in the fund that the maximum figures for such distribution established by law shall not be reduced. (NMSA 1978, § 22-8-31) Appropriations to this fund do not revert to another fund at the end of the appropriation period. State General Fund appropriations (NMSA 1978, § 22-8-14).

Net position as previously reported at June 30, 2016	\$ 62,502,884
Prior period adjustment - implementation of DFA Policy Change	<u>(1,000,000)</u>
Net position as stated, July 1, 2016	<u>\$ 61,502,884</u>

NOTE 21. RESTATEMENT OF PREVIOUSLY REPORTED AMOUNTS ON CHARTER SCHOOLS

The Foundation existed prior to July 1, 2016; however, it did not meet the requirements to be presented with the School until fiscal year 2017.

Taos Academy	
Net position as previously reported at June 30, 2016	\$ (110,581)
Restatement	<u>29,936</u>
Net position as restated, July 1, 2016	<u>\$ (83,645)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 21. RESTATEMENT OF PREVIOUSLY REPORTED AMOUNTS ON CHARTER SCHOOLS (CONTINUED)

Subsequent to the issuance of the New Mexico Connections Academy's 2016 financial statements, management became aware that the 2016 financial statements reported incorrect liabilities and net assets.

New Mexico Connections Academy	
Net position as previously reported at June 30, 2016	\$ (721,802)
Restatement	<u>143,769</u>
Net position as restated, July 1, 2016	<u>\$ (578,033)</u>

Net positions as of July 1, 2016, has been restated as follows for the implementation of GASB No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date.

Dzil Diti'ooi School of Empowerment, Action and Perseverance	
Net position as previously reported at June 30, 2016	\$ 13,027
Restatement	<u>17,131</u>
Net position as restated, July 1, 2016	<u>\$ 30,158</u>

Sandoval Academy for Bilingual Education	
Net position as previously reported at June 30, 2016	\$ (104,154)
Restatement	<u>41,534</u>
Net position as restated, July 1, 2016	<u>\$ (62,620)</u>

Technology Leadership High School	
Net position as previously reported at June 30, 2016	\$ 461,092
Restatement	<u>76,474</u>
Net position as restated, July 1, 2016	<u>\$ 537,566</u>

As a result of adjustments made pursuant to a capital asset inventory performed.

Southwest Aeronautics, Mathematics and Sciences	
Net position as previously reported at June 30, 2016	\$ (216,028)
Restatement	<u>291,878</u>
Net position as restated, July 1, 2016	<u>\$ 75,850</u>

Southwest Intermediate Learning Center	
Net position as previously reported at June 30, 2016	\$ 51,223
Restatement	<u>69,451</u>
Net position as restated, July 1, 2016	<u>\$ 120,674</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 21. RESTATEMENT OF PREVIOUSLY REPORTED AMOUNTS ON CHARTER SCHOOLS (CONTINUED)

Southwest Primary Learning Center	
Net position as previously reported at June 30, 2016	\$ (373,066)
Restatement	<u>16,824</u>
Net position as restated, July 1, 2016	<u>\$ (356,242)</u>
Southwest Secondary Learning Center	
Net position as previously reported at June 30, 2016	\$ 190,689
Restatement	<u>233,318</u>
Net position as restated, July 1, 2016	<u>\$ 424,007</u>

The identified several errors were identified related to receipts and disbursements during fiscal year 2017 that should have been reported as revenues and expenditures of fiscal year 2016.

Roots and Wings Community School	
Net position as previously reported at June 30, 2016	\$ (420,928)
Restatement	<u>88,500</u>
Net position as restated, July 1, 2016	<u>\$ (332,428)</u>

NOTE 22. TRANSFER OF COMPONENT UNITS

During the 2017, two schools transferred into PED, Carinos de Los Ninos charter school, and Roots & Wings Community Center. In Addition, four schools closed, Creative Education Preparatory Institute, Health Sciences Academy Charter School, The Learning Center, and New Mexico International School. Previously reported net position for the year ending June 30, 2016, has decreased by \$2,233,159 for the discretely presented component units.

		Net Position (Deficit) as of June 30, 2016
Cariños De Los Ninos	\$	(1,428,217)
Roots and Wings		<u>(332,428)</u>
Total transfer in		(1,760,645)
Creative Education Preparatory Institute		(2,473,761)
Health Science		(354,158)
New Mexico International School		(1,047,379)
The Learning Center		<u>(118,506)</u>
Total transfer out		<u>(3,993,804)</u>
Change to beginning Net Position	\$	<u><u>(2,233,159)</u></u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017**

NOTE 23. NEW ACCOUNTING PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2017.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions

GASB Statement No. 81, Irrevocable Split - Interest Agreements

GASB Statement No. 82, Pension Issues (an Amendment of GASB Statements No. 67, No. 68, and No. 73)

GASB Statement No. 83, Certain Asset Retirement Obligations

GASB Statement No. 84, Fiduciary Activities

GASB Statement No. 85, Omnibus

GASB Statement No. 86, Certain Debt Extinguishment Issues

GASB Statement No. 87, Leases

The Department will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The Department believes that the above listed new GASB pronouncements will not have a significant financial impact to the Department or in issuing its financial statements.

NON-MAJOR GOVERNMENTAL FUNDS

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Balance Sheets
Non Major Governmental Funds
June 30, 2017**

	Schools in Need of Improvement 00500	K-3 Plus 11420	Ed Tech Deficiency Correction Fund 20160
ASSETS			
Interest in State General Fund			
Investment Pool	\$ 467	6,488,820	60
Due from Federal Government	-	-	-
Due from Other State Agencies	-	-	-
Due from External Miscellaneous Parties	-	11,781	-
Due from Other Funds	-	-	-
Other Assets	-	-	-
Total Assets	\$ 467	6,500,601	60
LIABILITIES AND FUND BALANCES (DEFICIT)			
Accounts Payable	\$ -	3,664,613	-
Accrued Payroll and Taxes	-	8,109	-
Interest in State General Fund			
Investment Pool-Overdraft	-	-	-
Due to State General Fund	-	-	-
Due to Other State Agencies	-	-	-
Due to Federal Government	-	-	-
Due to Local Education Authorities	-	-	-
Unearned Revenue	-	-	-
Due to Other Funds	-	-	-
Other Liabilities	-	-	-
Total Liabilities	-	3,672,722	-
FUND BALANCES (Deficit)			
Restricted	-	2,827,879	-
Committed	467	-	60
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	467	2,827,879	60
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 467	6,500,601	60

School Transportation Training 20550	Independent Living Services 20570	Private Grants 30800	Family Youth 33400	Educator Certification 39700	Adult Basic Education 45800
37,372	155,337	198,223	1,184	1,232,884	122,564
-	324,680	-	-	-	-
-	-	-	-	-	-
-	-	35,000	-	-	-
-	-	-	-	-	-
-	-	-	-	758	-
<u>37,372</u>	<u>480,017</u>	<u>233,223</u>	<u>1,184</u>	<u>1,233,642</u>	<u>122,564</u>
-	185,228	25,497	-	14,303	-
-	-	-	-	34,305	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	148,297
-	-	-	-	-	-
-	-	3,837	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>185,228</u>	<u>29,334</u>	<u>-</u>	<u>48,608</u>	<u>148,297</u>
37,372	294,789	203,889	-	1,185,034	-
-	-	-	1,184	-	-
-	-	-	-	-	(25,733)
<u>37,372</u>	<u>294,789</u>	<u>203,889</u>	<u>1,184</u>	<u>1,185,034</u>	<u>(25,733)</u>
<u>37,372</u>	<u>480,017</u>	<u>233,223</u>	<u>1,184</u>	<u>1,233,642</u>	<u>122,564</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Balance Sheets
Non Major Governmental Funds (Continued)
June 30, 2017**

	Charter School Stimulus 47000	Disability Determination Services 50100	Pre- Kindergarten 51300	Professional Development 56200
ASSETS				
Interest in State General Fund Investment Pool	\$ 14,292	-	11,063,343	80,861
Due from Federal Government	-	1,496,414	-	-
Due from Other State Agencies	-	-	-	-
Due from External Miscellaneous Parties	-	-	-	-
Due from Other Funds	-	-	-	-
Other Assets	-	-	-	-
Total Assets	\$ 14,292	1,496,414	11,063,343	80,861
LIABILITIES AND FUND BALANCES (DEFICIT)				
Accounts Payable	\$ -	501,500	4,591,782	277
Accrued Payroll and Taxes	-	195,235	5,189	-
Interest in State General Fund Investment Pool-overdraft	-	903,654	-	-
Due to State General Fund	-	-	-	-
Due to Other State Agencies	-	-	-	-
Due to Federal Government	-	447	-	-
Due to Local Education Authorities	-	-	-	-
Unearned Revenue	-	-	-	-
Due to Other Funds	-	-	-	-
Other Liabilities	-	-	387,665	-
Total Liabilities	-	1,600,836	4,984,636	277
FUND BALANCES (Deficit)				
Restricted	-	-	-	-
Committed	14,292	-	6,078,707	80,584
Unassigned (Deficit)	-	(104,422)	-	-
Total Fund Balances (Deficit)	14,292	(104,422)	6,078,707	80,584
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 14,292	1,496,414	11,063,343	80,861

Incentive for School Improvement 56800	Indian Education Act 63300	Kindergarten Plus 63900	Instructional Materials Adoption 66000	Education Technology 66200
82,152	3,376,461	89,687	218,754	14,314
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>82,152</u>	<u>3,376,461</u>	<u>89,687</u>	<u>218,754</u>	<u>14,314</u>
-	866,154	-	-	-
-	3,379	-	-	-
-	-	-	-	-
-	-	-	-	-
-	50,000	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	51
<u>-</u>	<u>919,533</u>	<u>-</u>	<u>-</u>	<u>51</u>
-	-	89,687	218,754	-
82,152	2,456,928	-	-	14,263
-	-	-	-	-
<u>82,152</u>	<u>2,456,928</u>	<u>89,687</u>	<u>218,754</u>	<u>14,263</u>
<u>82,152</u>	<u>3,376,461</u>	<u>89,687</u>	<u>218,754</u>	<u>14,314</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Balance Sheets
Non Major Governmental Funds (Continued)
June 30, 2017**

	Federal Food Services 67200	Vocational Education Flow Through 67400
	<u>67200</u>	<u>67400</u>
ASSETS		
Interest in State General Fund		
Investment Pool	-	784,155
Due from Federal Government	16,160,440	1,771,464
Due from Other State Agencies	-	-
Due from External Miscellaneous Parties	36,445	20
Due from Other Funds	-	-
Other Assets	-	-
	<u> </u>	<u> </u>
Total Assets	<u><u>16,196,885</u></u>	<u><u>2,555,639</u></u>
LIABILITIES AND FUND BALANCES (DEFICIT)		
Accounts Payable	2,517,805	1,679,195
Accrued Payroll and Taxes	-	-
Interest in State General Fund		
Investment Pool-Overdraft	12,808,487	-
Due to State General Fund	-	-
Due to Other State Agencies	34,524	-
Due to Federal Government	93,740	952,833
Due to Local Education Authorities	-	-
Unearned Revenue	533,084	610,339
Due to Other Funds	-	-
Other Liabilities	5,243	21,575
	<u> </u>	<u> </u>
Total Liabilities	<u><u>15,992,883</u></u>	<u><u>3,263,942</u></u>
FUND BALANCES (Deficit)		
Restricted	204,002	-
Committed	-	-
Unassigned (Deficit)	-	(708,303)
	<u> </u>	<u> </u>
Total Fund Balances (Deficit)	<u><u>204,002</u></u>	<u><u>(708,303)</u></u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u><u>16,196,885</u></u>	<u><u>2,555,639</u></u>

Public Building Energy Efficiency Act 72500	Federal Department of Education Admin 84400	Instructional Materials Flow Through 85600	Transportation Emergency 88900	PED ARRA Fund 89000
48,948	5,980,532	107,121	1,215,419	7,486
-	8,251,124	-	23,573	-
-	-	-	-	-
-	8,549	-	52,686	-
-	-	-	-	-
-	-	-	-	-
48,948	14,240,205	107,121	1,291,678	7,486
-	6,368,794	5,043	-	4,432
-	279,724	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,713,068	-	-	-
-	41,017	-	-	1,797
-	182,463	-	1,381	1,549
-	458,984	-	1,323	-
-	-	-	-	-
-	505,526	-	-	-
-	9,549,576	5,043	2,704	7,778
48,948	4,690,629	102,078	-	-
-	-	-	1,288,974	-
-	-	-	-	(292)
48,948	4,690,629	102,078	1,288,974	(292)
48,948	14,240,205	107,121	1,291,678	7,486

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Balance Sheets
Non Major Governmental Funds (Continued)
June 30, 2017**

	DVR ARRA Fund 89000	Public School Capital Improvements 63400	Public School Capital Outlay 63500
ASSETS			
Interest in State General Fund			
Investment Pool	\$ 874	4,432,949	1,103,044
Due from Federal Government	-	-	-
Due from Other State Agencies	-	-	-
Due from External Miscellaneous Parties	-	-	-
Due from Other Funds	-	-	-
Other Assets	-	-	-
Total Assets	\$ 874	4,432,949	1,103,044
LIABILITIES AND FUND BALANCES (DEFICIT)			
Accounts Payable	\$ -	-	-
Accrued Payroll and Taxes	-	-	-
Interest in State General Fund			
Investment Pool-Overdraft	-	-	-
Due to State General Fund	-	-	-
Due to Other State Agencies	-	-	-
Due to Federal Government	690	-	-
Due to Local Education Authorities	-	5,406	-
Unearned Revenue	-	-	-
Due to Other Funds	-	-	-
Other Liabilities	-	4,362,332	-
Total Liabilities	690	4,367,738	-
FUND BALANCES (Deficit)			
Restricted	184	65,211	-
Committed	-	-	1,103,044
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	184	65,211	1,103,044
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 874	4,432,949	1,103,044

Special Capital Outlay Severance Tax Bonds 2000 81300	Special Capital Outlay Severance Tax Bonds 2004 81600	Special Capital Outlay - General Fund 81800	STB Capital Outlay 89200	GF Capital Outlay 93100	Total Governmental Funds
28,313	208,177	54,543	11,841,133	28,129	49,017,598
-	-	-	-	-	28,027,695
-	-	-	-	-	-
-	-	-	-	-	144,481
-	-	-	-	-	-
8,784	38,186	-	-	-	47,728
37,097	246,363	54,543	11,841,133	28,129	77,237,502
-	-	707	11,907,333	-	32,332,663
-	-	-	-	-	525,941
-	-	-	-	-	-
-	-	-	-	-	13,712,141
-	-	36,620	-	34,680	71,300
-	24,347	-	-	-	1,821,939
-	-	-	-	-	1,238,821
-	-	-	-	-	190,799
-	64,396	175,902	-	-	1,847,865
-	-	-	-	-	-
-	-	-	-	-	5,282,392
-	88,743	213,229	11,907,333	34,680	57,023,861
37,097	157,620	-	-	-	10,163,173
-	-	-	-	-	11,120,655
-	-	(158,686)	(66,200)	(6,551)	(1,070,187)
37,097	157,620	(158,686)	(66,200)	(6,551)	20,213,641
37,097	246,363	54,543	11,841,133	28,129	77,237,502

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit) - Non Major Governmental Funds
Fiscal Year Ended June 30, 2017**

	Schools in Need of Improvement 00500	K-3 Plus 11420	Ed Tech Deficiency Correction Fund 20160
REVENUES:			
Federal Grants	\$ -	-	-
Other Revenue	3	11,781	-
Total Revenues	3	11,781	-
EXPENDITURES:			
Current:			
Education	-	21,702,726	-
Health and Welfare	-	-	-
Total Expenditures	-	21,702,726	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3	(21,690,945)	-
OTHER FINANCING SOURCES (USES):			
State General Fund Appropriations	-	23,700,000	-
Appropriations Funded with State Severance Bond Proceeds	-	-	-
Transfers in:			
Other	-	-	-
Transfers out:			
Reversions	-	(1,066,146)	-
Other	-	-	-
Total other Financing Sources (uses):	-	22,633,854	-
NET CHANGES IN FUND BALANCES	3	942,909	-
FUND BALANCES (DEFICIT)- BEGINNING OF YEAR	464	1,884,970	60
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 467	2,827,879	60

School Transportation Training 20550	Independent Living Services 20570	Private Grants 30800	Family Youth 33400	Educator Certification 39700	Adult Basic Education 45800
-	1,001,045	-	-	-	-
1,597	-	36,276	6	1,498,666	-
<u>1,597</u>	<u>1,001,045</u>	<u>36,276</u>	<u>6</u>	<u>1,498,666</u>	<u>-</u>
-	-	90,393	-	1,076,647	-
-	1,575,291	-	-	-	-
<u>-</u>	<u>1,575,291</u>	<u>90,393</u>	<u>-</u>	<u>1,076,647</u>	<u>-</u>
1,597	(574,246)	(54,117)	6	422,019	-
-	397,408	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>397,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,597	(176,838)	(54,117)	6	422,019	-
<u>35,775</u>	<u>471,627</u>	<u>258,006</u>	<u>1,178</u>	<u>763,015</u>	<u>(25,733)</u>
<u>37,372</u>	<u>294,789</u>	<u>203,889</u>	<u>1,184</u>	<u>1,185,034</u>	<u>(25,733)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit) - Non Major Governmental Funds (Continued)
Fiscal Year Ended June 30, 2017

	Charter School Stimulus 47000	Disability Determination Services 50100	Pre-Kindergarten 51300	Professional Development 56200
REVENUES:				
Federal Grants	\$ -	11,331,258	-	-
Other Revenue	-	-	3,602,996	439
Total Revenues	-	11,331,258	3,602,996	439
EXPENDITURES:				
Current:				
Education	-	-	23,968,390	-
Health and Welfare	-	11,331,258	-	-
Total expenditures	-	11,331,258	23,968,390	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(20,365,394)	439
OTHER FINANCING SOURCES (USES):				
State General Fund Appropriations	-	-	21,000,000	-
Appropriations Funded with State Severance Bond Proceeds	-	-	-	-
Transfers in:				
Other	-	-	-	-
Transfers out:				
Reversions	-	-	-	-
Other	-	-	-	-
Total other financing sources (uses):	-	-	21,000,000	-
NET CHANGES IN FUND BALANCES	-	-	634,606	439
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	14,292	(104,422)	5,444,101	80,145
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 14,292	(104,422)	6,078,707	80,584

Incentive for School Improvement 56800	Indian Education Act 63300	Kindergarten Plus 63900	Instructional Materials Adoption 66000	Education Technology 66200
-	-	-	-	-
435	-	475	7,591	-
<u>435</u>	<u>-</u>	<u>475</u>	<u>7,591</u>	<u>-</u>
-	1,911,912	-	64,285	-
-	-	-	-	-
<u>-</u>	<u>1,911,912</u>	<u>-</u>	<u>64,285</u>	<u>-</u>
435	(1,911,912)	475	(56,694)	-
-	1,824,600	-	-	-
-	-	-	-	-
-	15,000	-	-	-
-	-	-	-	-
<u>-</u>	<u>1,839,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
435	(72,312)	475	(56,694)	-
<u>81,717</u>	<u>2,529,240</u>	<u>89,212</u>	<u>275,448</u>	<u>14,263</u>
<u>82,152</u>	<u>2,456,928</u>	<u>89,687</u>	<u>218,754</u>	<u>14,263</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit) - Non Major Governmental Funds (Continued)
Fiscal Year Ended June 30, 2017**

	Federal Food Services 67200	Vocational Education Flow Through 67400	Public Building Energy Efficiency Act 72500
REVENUES:			
Federal Grants	148,325,007	6,507,682	-
Other Revenue	142,720	-	-
Total Revenues	<u>148,467,727</u>	<u>6,507,682</u>	<u>-</u>
EXPENDITURES:			
Current:			
Education	148,260,500	6,507,682	-
Health and Welfare	-	-	-
Total expenditures	<u>148,260,500</u>	<u>6,507,682</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>207,227</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
State General Fund Appropriations	-	-	48,900
Appropriations Funded with State Severance Bond Proceeds	-	-	-
Transfers in:			
Other	-	-	-
Transfers out:			
Reversions	-	-	-
Other	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>48,900</u>
NET CHANGES IN FUND BALANCES	<u>207,227</u>	<u>-</u>	<u>48,900</u>
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	<u>(3,225)</u>	<u>(708,303)</u>	<u>48</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u><u>204,002</u></u>	<u><u>(708,303)</u></u>	<u><u>48,948</u></u>

Federal Department of Education Admin 84400	Instructional Materials Flow Through 85600	Transportation Emergency 88900	PED ARRA Fund 89000
37,743,391	-	-	-
-	2,539	1,001,448	-
<u>37,743,391</u>	<u>2,539</u>	<u>1,001,448</u>	<u>-</u>
30,568,524	5,035,582	220,000	-
-	-	-	-
<u>30,568,524</u>	<u>5,035,582</u>	<u>220,000</u>	<u>-</u>
<u>7,174,867</u>	<u>(5,033,043)</u>	<u>781,448</u>	<u>-</u>
-	20,650,000	-	-
-	-	-	-
-	-	-	-
-	(20,444,494)	-	-
<u>(6,577,540)</u>	<u>(235,674)</u>	<u>-</u>	<u>-</u>
<u>(6,577,540)</u>	<u>(30,168)</u>	<u>-</u>	<u>-</u>
<u>597,327</u>	<u>(5,063,211)</u>	<u>781,448</u>	<u>-</u>
<u>4,093,302</u>	<u>5,165,289</u>	<u>507,526</u>	<u>(292)</u>
<u>4,690,629</u>	<u>102,078</u>	<u>1,288,974</u>	<u>(292)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit) - Non Major Governmental Funds (Continued)
Fiscal Year Ended June 30, 2017

	DVR ARRA Fund 89000	Public School Capital Improvements 63400	Public School Capital Outlay 63500	Special Capital Outlay Severance Tax Bonds 2000 81300
REVENUES:				
Federal Grants	\$ -	-	-	-
Other Revenue	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES:				
Current:				
Education	-	-	-	-
Health and Welfare	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES):				
State General Fund Appropriations	-	-	-	-
Appropriations Funded with State Severance Bond Proceeds	-	-	-	-
Transfers in:				
Other	-	-	-	-
Transfers out:				
Reversions	-	-	-	-
Other	-	-	-	-
Total other financing sources (uses):	-	-	-	-
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	184	65,211	1,103,044	37,097
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 184	65,211	1,103,044	37,097

Special Capital Outlay Severance Tax Bonds 2004 81600	Special Capital Outlay-General Fund 81800	STB Capital Outlay 89200	GF Capital Outlay 93100	Total Governmental Funds
-	-	-	-	204,908,383
-	-	-	-	6,306,972
-	-	-	-	211,215,355
-	-	43,091,542	-	282,498,183
-	-	-	-	12,906,549
-	-	43,091,542	-	295,404,732
-	-	(43,091,542)	-	(84,189,377)
-	-	-	-	67,620,908
-	-	43,173,032	-	43,173,032
-	-	-	-	15,000
-	-	-	-	(21,510,640)
-	-	-	-	(6,813,214)
-	-	43,173,032	-	82,485,086
-	-	81,490	-	(1,704,291)
157,620	(158,686)	(147,690)	(6,551)	21,917,932
157,620	(158,686)	(66,200)	(6,551)	20,213,641

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Net Position
Public Education Department Only
(Without the Division of Vocational Rehabilitation)
June 30, 2017**

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS:	
Investment in State General Fund Investment Pool	\$ 88,965,410
Due from Federal Government	94,342,249
Due from State General Fund	-
Due from Other State Agencies	19,814
Due from External Miscellaneous Parties	702,741
Due from Agency Fund	-
Other Assets	52,438
Total Current Assets	<u>184,082,652</u>
NON-CURRENT ASSETS:	
Capital Assets	1,457,190
Accumulated Depreciation	(1,343,093)
Total Non-Current Assets	<u>114,097</u>
Total Assets	<u>184,196,749</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts Payable	114,192,849
Accrued Payroll and Taxes	749,881
Interest in State General Fund	
Investment Pool-Overdraft	13,790,235
Due to State General Fund	85,355
Due to Other State Agencies	1,964,195
Due to Federal Government	3,052,631
Due to Local Education Authorities	1,088,323
Due to Beneficiaries	1,395,898
Unearned Revenue	1,876,190
Compensated Absences - Due Within One Year	810,746
Other Current Liabilities	6,025,759
TOTAL CURRENT LIABILITIES	<u>145,032,062</u>
NET POSITION	
Investment in Capital Assets	114,097
Restricted	29,871,530
Unrestricted	9,179,060
TOTAL NET POSITION	<u>\$ 39,164,687</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Activities
Public Education Department Only
(Without the Division of Vocational Rehabilitation)
For the Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Position</u>
					<u>Governmental</u>
					<u>Activities</u>
PRIMARY GOVERNMENT					
GOVERNMENTAL ACTIVITIES:					
Education	\$ 3,081,961,609	8,887,531	408,291,651	-	(2,664,782,427)
Total Primary Government	\$ 3,081,961,609	8,887,531	408,291,651	-	(2,664,782,427)
GENERAL REVENUES AND TRANSFERS:					
					\$ 2,610,492,295
State general fund - general appropriations					102,631,700
State general fund - special appropriations					43,923,032
Bond proceeds appropriations					15,000
Transfers in - other					(6,813,214)
Transfers out - other					(106,374,637)
Transfers out - State General fund reversions - FY16					
TOTAL GENERAL REVENUES AND TRANSFERS					2,643,874,176
CHANGE IN NET POSITION					(20,908,251)
NET POSITION, BEGINNING AS PREVIOUSLY REPORTED					61,072,938
RESTATEMENT (NOTE 20)					(1,000,000)
NET POSITION, BEGINNING AS RESTATED					60,072,938
NET POSITION, ENDING					\$ 39,164,687

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Reconciliation of the Balance Sheets - Governmental Funds
to the Statement of Net Position
(Without the Division of Vocational Rehabilitation)
June 30, 2017**

	<u>Governmental Activities</u>
Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)	\$ 39,861,336
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>	
Capital Assets	1,457,190
Accumulated Depreciation	<u>(1,343,093)</u>
Total Capital Assets	114,097
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the fund:</p>	
Compensated absences - due within one year	<u>(810,746)</u>
Net Position of Governmental Activities (Statement of Net Position)	<u>\$ 39,164,687</u>

See Notes to Financial Statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficit)
of Governmental Funds to the Statement of Activities
(Without the Division of Vocational Rehabilitation)
For the Year Ended June 30, 2017**

	<u>Governmental Activities</u>
Net Change in Fund Balances - Total Governmental Funds (Statement of Revenues, Expenditures, and Changes in Fund Balances/Deficit)	\$ (20,780,050)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>In the Statement of Activities, certain operating expenses (compensated absences payable) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amounts of financial resources used (essentially, the amounts actually paid). The change in the liabilities for the year was:</p>	
Change in compensated absences payable	(62,920)
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital Outlay	52,436
Depreciation expense	<u>(117,717)</u>
Excess of capital outlay over depreciation expense	<u>(65,281)</u>
Change in Net Position of Governmental Activities (Statement of Activities)	\$ <u>(20,908,251)</u>

See Notes to Financial Statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Net Position
Division of Vocational Rehabilitation Only
June 30, 2017**

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS:	
Investment in State General Fund Investment Pool	\$ 156,211
Due from Federal Government	11,866,365
Due from Other State Agencies	-
Other Assets	14,320
Total Current Assets	<u>12,036,896</u>
NON-CURRENT ASSETS:	
Capital Assets	1,512,032
Accumulated Depreciation	(923,542)
Total Non-Current Assets	<u>588,490</u>
Total Assets	<u>12,625,386</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts Payable	2,478,230
Accrued Payroll and Taxes	647,197
Interest in State General Fund	
Investment Pool-Overdraft	914,664
Due to Other State Agencies	-
Due to Federal Government	3,712,563
Unearned Revenue	3,128,173
Compensated Absences - Due Within One Year	583,017
TOTAL CURRENT LIABILITIES	<u>11,463,844</u>
NET POSITION	
Net Investment in Capital Assets	588,490
Restricted	1,260,491
Unrestricted (Deficit)	(687,439)
TOTAL NET POSITION	<u>\$ 1,161,542</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Activities
Division of Vocational Rehabilitation Only
For the Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
PRIMARY GOVERNMENT					
GOVERNMENTAL ACTIVITIES:					
Health and Welfare	\$ 41,400,885	205,681	35,206,696	-	(5,988,508)
Total Primary Government	\$ 41,400,885	205,681	35,206,696	-	(5,988,508)
GENERAL REVENUES AND TRANSFERS:					
					\$ 5,647,600
					72,504
					5,720,104
CHANGE IN NET POSITION					
					(268,404)
NET POSITION, BEGINNING					
					1,429,946
NET POSITION, ENDING					
					\$ 1,161,542

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Balance Sheets - Governmental Funds
Division of Vocational Rehabilitation Only
June 30, 2017**

	Independent Living Services 20570	DVR General Fund 50000	Disability Determination Services 50100	DVR Recovery Act 89000	Total Governmental Funds
ASSETS					
Interest in State General Fund Investment Pool	\$ 155,337	-	-	874	156,211
Due From Federal Government	324,680	10,045,271	1,496,414	-	11,866,365
Due From Other State Agencies	-	-	-	-	-
Other Assets	-	14,320	-	-	14,320
Total Assets	\$ 480,017	10,059,591	1,496,414	874	12,036,896
LIABILITIES					
Accounts Payable	\$ 185,228	1,791,502	501,500	-	2,478,230
Accrued Payroll and Taxes	-	451,962	195,235	-	647,197
Interest in State General Fund Investment Pool-overdraft	-	11,010	903,654	-	914,664
Due to Other State Agencies	-	-	-	-	-
Due to Federal Government	-	3,711,426	447	690	3,712,563
Unearned Revenue	-	3,128,173	-	-	3,128,173
Total Liabilities	185,228	9,094,073	1,600,836	690	10,880,827
FUND BALANCES (DEFICIT)					
Restricted	294,789	965,518	-	184	1,260,491
Unassigned (Deficit)	-	-	(104,422)	-	(104,422)
Total Fund Balances (Deficit)	294,789	965,518	(104,422)	184	1,156,069
Total Liabilities and Fund Balances (Deficit)	\$ 480,017	10,059,591	1,496,414	874	12,036,896

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Reconciliation of the Combining Balance Sheets -
Governmental Funds to the Statement of Net Position
Division of Vocational Rehabilitation Only
June 30, 2017**

	<u>Governmental Activities</u>
Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet - Division of Vocational Rehabilitation Only)	\$ 1,156,069
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital Assets	1,512,032
Accumulated Depreciation	<u>(923,542)</u>
Total Capital Assets	588,490
 Some liabilities are not due and payable in the current period and, therefore, are not reported in the fund:	
Compensated absences - due within one year	<u>(583,017)</u>
Net Position of Governmental Activities (Statement of Net Position - Division of Vocational Rehabilitation Only)	<u>\$ 1,161,542</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statements of Revenues, Expenditures,
and Changes in Fund Balance (Deficit)
Governmental Funds
Division of Vocational Rehabilitation Only
For the Year Ended June 30, 2017

	Independent Living Services 20570	DVR General Fund 50000	Disability Determination Services 50100	DVR Recovery Act Funds 89000	Total Governmental Funds
REVENUES:					
Federal Grants	\$ 1,001,045	22,874,393	11,331,258	-	35,206,696
Other Revenue	-	205,681	-	-	205,681
Total Revenues	1,001,045	23,080,074	11,331,258	-	35,412,377
EXPENDITURES:					
Current:					
Health and Welfare	1,575,291	28,365,637	11,331,258	-	41,272,186
Capital outlay	-	384,039	-	-	384,039
Total Expenditures	1,575,291	28,749,676	11,331,258	-	41,656,225
(DEFICIENCY) EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	(574,246)	(5,669,602)	-	-	(6,243,848)
OTHER FINANCING SOURCES (USES):					
State general fund appropriations	397,408	5,250,192	-	-	5,647,600
Transfers in:					
Interfund	-	-	-	-	-
Other	-	72,504	-	-	72,504
Transfers out:					
Reversions	-	-	-	-	-
Interfund	-	-	-	-	-
Other	-	-	-	-	-
Total other Financing Sources (uses):	397,408	5,322,696	-	-	5,720,104
NET CHANGES IN FUND BALANCES	(176,838)	(346,906)	-	-	(523,744)
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	471,627	1,312,424	(104,422)	184	1,679,813
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 294,789	965,518	(104,422)	184	1,156,069

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Reconciliation of Combining Statements of Revenues,
Expenditures, and Changes in Fund Balances (Deficit)
of Governmental Funds to the Statement of Activities
Division of Vocational Rehabilitation Only
For the Year Ended June 30, 2017**

	<u>Governmental Activities</u>
Net Change in Fund Balances - Total Governmental Funds (Statement of Revenues, Expenditures, and Changes in Fund Balances/Deficit - Division of Vocational Rehabilitation Only)	\$ (523,744)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>In the Statement of Activities, certain operating expenses (compensated absences payable) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amounts of financial resources used (essentially, the amounts actually paid). The change in the liabilities for the year was:</p>	
Change in compensated absences payable	(196)
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital Outlay	384,039
Depreciation expense	<u>(128,503)</u>
Excess of capital outlay over depreciation expense	<u>255,536</u>
Change in Net Position of Governmental Activities (Statement of Activities - Division of Vocational Rehabilitation Only)	<u>\$ (268,404)</u>

AGENCY AND FIDUCIARY FUNDS

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Changes in Assets and Liabilities - Agency Fund
Agency Fund - 57300
For the Year Ended June 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Interest in State General Fund Investment Pool	\$ 3,774,339	1,647,107	-	5,421,446
Due from Other State Agencies	130,584	-	(130,584)	-
Total Assets	<u>\$ 3,904,923</u>	<u>1,647,107</u>	<u>(130,584)</u>	<u>5,421,446</u>
LIABILITIES				
Due to External Parties	<u>\$ 3,904,923</u>	<u>1,647,107</u>	<u>(130,584)</u>	<u>5,421,446</u>
Total Liabilities	<u>\$ 3,904,923</u>	<u>1,647,107</u>	<u>(130,584)</u>	<u>5,421,446</u>

See Independent Auditors Report

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Fiduciary Net Position
June 30, 2017**

	Eva Lou Kelly Scholarship 61600	Tutor-Scholars Program 99300	Total Private Purpose Trusts
ASSETS			
Interest in State General Fund Investment Pool	\$ 40,775	4,876	45,651
Certificate of Deposit	20,000	-	20,000
Total Assets	60,775	4,876	65,651
LIABILITIES			
Due to External Parties	-	-	-
Total Liabilities	-	-	-
NET POSITION			
Reserved for Scholarships	<u>\$ 60,775</u>	<u>4,876</u>	<u>65,651</u>

See Independent Auditors Report

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2017**

	Eva Lou Kelly Scholarship <u>61600</u>	Tutor-Scholars Program <u>99300</u>	<u>Total Private Purpose Trusts</u>
ADDITIONS			
Investment Earnings - Interest	\$ 362	-	362
DEDUCTIONS			
Scholarship Expense	-	-	-
CHANGE IN NET POSITION	362	-	362
NET POSITION, BEGINNING	<u>60,413</u>	<u>4,876</u>	<u>65,289</u>
NET POSITION, ENDING	<u><u>\$ 60,775</u></u>	<u><u>4,876</u></u>	<u><u>65,651</u></u>

See Independent Auditors Report

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Notes to Trust and Agency Funds
For the Year Ended June 30, 2017**

Trust Funds

Private-Purpose Trust Funds are used to report arrangements under which principal or interest benefits specific to individuals, private organizations or other government (but not the reporting government).

Eva Lou Kelly Scholarship Fund (SHARE Fund 61600)

The Eva Lou Kelly Scholarship fund accounts for assets held in trust for the continuation of "deserving boys and girls".

Tutor-Scholars Program Fund (SHARE Fund 99300)

The Tutor-Scholars Program fund accounts for donations, primarily corporate, to fund scholarships for academically successful students who tutor at-risk high school students. Tutor-scholars may receive scholarships up to \$3,000 per year for use at any public or private post-secondary school in New Mexico.

Agency Fund

Agency Funds are used to account for assets held on behalf of individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

Driver Safety Fees (SHARE Fund 57300)

The Driver Safety Fee fund is used to accumulate the driver safety fee in the amount of \$3 for each driver's license or duplicate driver's license issued. The fees are distributed through the State Equalization Guarantee distribution to each school district for the purpose of providing defensive driving instruction (NMSA 1978, Section 66-5-44).

See Independent Auditors Report

OTHER SUPPLEMENTAL INFORMATION

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Supplemental Schedule of Cash and Cash Equivalents
For the Year Ended June 30, 2017**

<u>Agency/Fund</u>	<u>Account Name</u>	<u>General Ledger Balance</u>
General Funds:		
924-05700	Public Education Department (PED)	\$ 1,587,629
644-50000	Division of Vocational Rehabilitation (DVR)	(11,010)
Total General Funds		1,576,619
Special Revenue and Capital Outlay Funds:		
924-00500	Schools in Need in Improvement	467
924-11420	K-3 Plus	6,488,820
924-20160	Ed Tech Deficiency Correction Fund	60
924-20550	School Transportation Training	37,372
644-20570	Independent Living Services	155,337
924-30800	Private Grants	198,223
924-33400	Family Youth	1,184
924-39700	Educator Certification	1,232,884
924-45800	Adult Basic Education	122,564
924-47000	Charter School Stimulus	14,292
644-50100	Disability Determination Services	(903,654)
924-51300	Pre-Kindergarten	11,063,343
924-56200	Professional Development	80,861
924-56800	Incentive for School Improvement	82,152
924-63300	Indian Education Act	3,376,461
924-63400	Public School Capital Improvements	4,432,949
924-63500	Public School Capital Outlay	1,103,044
924-63900	Kindergarten Plus	89,687
924-66000	Instructional Materials Adoption	218,754
924-66200	Education Technology	14,314
924-67200	Federal Food Services	(12,808,487)
924-67300	Federal Department of Education Flowthrough	(709,527)
924-67400	Federal Vocational Education Flowthrough	784,155
924-72500	Public Building Energy Efficiency Act	48,948
924-79000	Special Projects	38,516,394
924-81300	Special Capital Outlay Severance Tax Bonds 2000	28,313
924-81600	Special Capital Outlay Severance Tax Bonds 2004	208,177
924-81800	Special Capital Outlay - General Fund	54,543
924-84400	Federal Department of Education Admin	5,980,532
924-85600	Instructional Materials Flowthrough	107,121
924-85800	Public School Support Flowthrough	(272,221)
924-88900	Transportation Emergency	1,215,419
924-89000	PED ARRA Fund	7,486
644-89000	DVR ARRA Fund	874
924-81800	Special Capital Outlay	11,841,133
924-93100	GF Capital Outlay	28,129
Total Special Revenue and Capital Outlay Funds		72,840,103
Total General Fund, Special Revenue and Capital Outlay Funds		74,416,722

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Supplemental Schedule of Cash and Cash Equivalents
For the Year Ended June 30, 2017**

<u>Agency/Fund</u>	<u>Account Name</u>	<u>General Ledger Balance</u>
<u>Trust and Agency Funds:</u>		
924-57300	Driver Safety Fees	5,421,446
924-61600	Eva Lou Kelly Scholarship	40,775
924-61600	Eva Lou Kelly Scholarship - CD with Washington Federal	20,000
924-99300	Tutor Scholars Program	<u>4,876</u>
Total Trust and Agency Funds		<u>5,487,097</u>
Total Cash and Investments, Net of Overdrafts		<u><u>\$ 79,903,819</u></u>

See Independent Auditors Report

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
JOINT POWERS AGREEMENTS, MEMORANDA OF UNDERSTANDING
AND INTER-GOVERNMENTAL AGREEMENTS
June 30, 2017**

Contractor	Scope of Work	Responsible		Amount	Beginning Date	Ending Date	Responsibility	Agency Reporting Revenue/Expense
		Party						
COTTONWOOD CLASSICAL PREPARATORY SCHOOL JEMEZ, PUEBLO OF	Youth Resiliency Project Indian Education	PED PED		5,300 30,000	12/19/2016 12/19/2016	6/30/2017 6/30/2017	PED PED	PED/COTTONWOOD CLASSICAL PREPARATORY SCHOOL PED/JEMEZ, PUEBLO OF
THE UNIVERSITY OF NEW MEXICO WEST LAS VEGAS SCHOOL DISTRICT	Pre K Website and data collection. Provide on-site coaching and Early Literacy and Social Emotional Training. Youth Resiliency Project	PED PED		500,000 3,000	12/28/2016 12/21/2016	12/31/2017 6/30/2017	PED PED	PED/THE UNIVERSITY OF NEW MEXICO PED/WEST LAS VEGAS SCHOOL DISTRICT
CENTRAL REGION EDUCATIONAL COOPERATIVE	KEA Coordinator; Support Kindergarten Observation Tool Sustainability	PED		8,189	1/6/2017	12/31/2017	PED	PED/CENTRAL REGION EDUCATIONAL COOPERATIVE
REGENTS OF NEW MEXICO STATE NORTHERN NEW MEXICO COLLEGE PORTALES MUNICIPAL SCHOOLS GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT LORDSBURG MUNICIPAL SCHOOLS DEMING PUBLIC SCHOOLS SANTA FE PUBLIC SCHOOLS	Coaching in Math, Reading, and positive behavioral intervention and supports Indian Education Youth Resiliency Project Youth Resiliency Project Youth Resiliency Project Youth Resiliency Project Youth Resiliency Project	PED PED PED PED PED PED PED		9,936 182,076 4,000 5,885 2,500 4,500 5,001	1/6/2017 1/12/2017 1/12/2017 1/12/2017 1/12/2017 1/12/2017 1/12/2017	6/30/2017 6/30/2017 6/30/2017 6/30/2017 6/30/2017 6/30/2017 6/30/2017	PED PED PED PED PED PED PED	PED/REGENTS OF NEW MEXICO STATE PED/NORTHERN NEW MEXICO COLLEGE PED/PORTALES MUNICIPAL SCHOOLS PED/GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT PED/LORDSBURG MUNICIPAL SCHOOLS PED/DEMING PUBLIC SCHOOLS PED/SANTA FE PUBLIC SCHOOLS
REGIONAL EDUCATION CENTER #6 REGION IX EDUCATION COOPERATIVE	State Performance Plan and School Grading State Performance Plan and School Grading	PED PED		10,800 203,621	1/12/2017 1/12/2017	6/30/2017 6/30/2017	PED PED	PED/REGIONAL EDUCATION CENTER #6 PED/REGION IX EDUCATION COOPERATIVE
REGION IX EDUCATION COOPERATIVE REGION IX EDUCATION COOPERATIVE	School District and Cultural Inclusion Initiative: education opportunities and curriculum alignment Event planning and oversight for Rural School Heath Education Institute 2017	PED PED		581,040 20,002	1/24/2017 1/24/2017	6/30/2017 6/30/2017	PED PED	PED/REGION IX EDUCATION COOPERATIVE PED/REGIONAL EDUCATION CENTER #6
CENTRAL CONSOLIDATED SCHOOLS #22 REGION IX EDUCATION COOPERATIVE DULCE INDEPENDENT SCHOOLS #21 ESPANOLA PUBLIC SCHOOLS	Youth Resiliency Project School Food Authorities Administrative Review and Technical Assistance Indian Education Youth Resiliency Project	PED PED PED PED		1,205 116,257 25,000 2,577	1/24/2017 2/7/2017 2/7/2017 2/10/2017	6/30/2017 7/31/2017 6/30/2017 6/30/2017	PED PED PED PED	PED/CENTRAL CONSOLIDATED SCHOOLS #22 PED/REGION IX EDUCATION COOPERATIVE PED/DULCE INDEPENDENT SCHOOLS #21 PED/ESPANOLA PUBLIC SCHOOLS
DIVISION OF VOCATIONAL REHAB GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT SOCORRO CONSOLIDATED SCHOOLS	Finance and Operations Support from DVR Culturally relevant education for American Indian Students. Teen Dating Violence Initiative	PED PED PED		50,000 25,000 13,250	2/7/2017 2/23/2017 8/22/2016	6/30/2017 6/30/2017 6/30/2017	PED PED PED	PED/DIVISION OF VOCATIONAL REHAB PED/GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT PED/SOCORRO CONSOLIDATED SCHOOLS
ESPANOLA PUBLIC SCHOOLS PARENTS REACHING OUT	Culturally relevant education for American Indian Students Coordinate and conduct a statewide Family Leadership Conference	PED PED		20,550 10,500	3/28/2017 3/27/2017	6/30/2017 6/30/2017	PED PED	PED/ESPANOLA PUBLIC SCHOOLS PED/PARENTS REACHING OUT
REGENTS OF NEW MEXICO STATE SOUTHWEST REGIONAL EDUCATION COOPERATIVE	Provide professional development for NM mathematics teachers, coaches, leaders and administrators Pay for Performance Pilot Program	PED PED		1,203,114 82,080	4/7/2017 2/8/2017	9/30/2018 6/30/2017	PED PED	PED/REGENTS OF NEW MEXICO STATE PED/SOUTHWEST REGIONAL EDUCATION COOPERATIVE
REGION IX EDUCATION COOPERATIVE CENTRAL REGION EDUCATIONAL COOPERATIVE	Support REC IX School Food Authorities Back to School Conference Coordinate and Support 2 summer book studies	PED PED		28,128 476,848	4/20/2017 4/29/2017	9/30/2017 9/29/2017	PED PED	PED/REGION IX EDUCATION COOPERATIVE PED/CENTRAL REGION EDUCATIONAL COOPERATIVE
SOUTHWEST REGIONAL EDUCATION COOPERATIVE REGENTS OF NEW MEXICO STATE SOUTHWEST REGIONAL EDUCATION COOPERATIVE	Contractor shall audit current coursework, curate online digital content and design/deliver professional development for IDEAL NM NMSU will utilize funds to provide support for the GRADS Expectant and Parenting Teens Program Coordinating Charter School Advisory, Summer Fellowship and Summer Conference	PED PED PED		120,760 11,999 160,758	2/7/2017 5/17/2017 5/17/2017	6/30/2017 7/31/2017 6/30/2017	PED PED PED	PED/SOUTHWEST REGIONAL EDUCATION COOPERATIVE PED/REGENTS OF NEW MEXICO STATE PED/SOUTHWEST REGIONAL EDUCATION COOPERATIVE
SOUTHWEST REGIONAL EDUCATION COOPERATIVE THE UNIVERSITY OF NEW MEXICO	Southwest Regional Education Center for New Charter School Application Reviews Conduct data analysis for brief analytical reports for YRRS	PED PED		15,487 66,632	5/19/2017 5/31/2017	6/30/2017 7/31/2017	PED PED	PED/SOUTHWEST REGIONAL EDUCATION COOPERATIVE PED/THE UNIVERSITY OF NEW MEXICO
SOUTHWEST REGIONAL EDUCATION COOPERATIVE NEW MEXICO HIGHLANDS UNIVERSITY	To Facilitate a working session at the June Public Education Commission Meeting AP Test Fees	PED PED		11,340 393,050	6/1/2017 6/7/2017	6/30/2017 6/30/2017	PED PED	PED/SOUTHWEST REGIONAL EDUCATION COOPERATIVE PED/NEW MEXICO HIGHLANDS UNIVERSITY
REGION IX EDUCATION COOPERATIVE THE UNIVERSITY OF NEW MEXICO	Grant Writing with Region IX the development of the Striving Readers Comprehensive Literacy (SRCL)	PED PED		33,696 19,919	6/19/2017 6/13/2017	7/31/2017 9/30/2018	PED PED	PED/REGION IX EDUCATION COOPERATIVE PED/THE UNIVERSITY OF NEW MEXICO
WISCONSIN CENTER FOR EDUCATION RESEARCH SOUTHWEST REGIONAL EDUCATION COOPERATIVE	Applied Behavioral Therapy (ABA) services for student at home or in the community Educational System Access for English Language Learners Provide general support for Charter School initiatives in development application/accreditation process	PED PED		1,830,225 30,618	2/5/2016 6/20/2017	12/31/2018 6/30/2017	PED PED	PED/WISCONSIN CENTER FOR EDUCATION RESEARCH PED/SOUTHWEST REGIONAL EDUCATION COOPERATIVE

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
PUBLIC SCHOOL CAPITAL OUTLAY NEW SCHOOL DEVELOPMENT-FUND 10550
Year Ended June 30, 2017

	Project <u>Authorization</u>	<u>Reversion</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
CASH RECEIPTS					
Laws of 2001, Ch 338 STBs	\$ 3,000,000	(4,894)	2,995,106	-	2,995,106
TOTAL CASH RECEIPTS	<u>3,000,000</u>	<u>(4,894)</u>	<u>2,995,106</u>	<u>-</u>	<u>2,995,106</u>
CASH OUTLAYS					
Laws of 2001, Ch 338 STBs	\$ 3,000,000	(4,894)	2,995,106	-	2,995,106
Transfers	-	-	-	-	-
TOTAL CASH OUTLAYS	<u>3,000,000</u>	<u>(4,894)</u>	<u>2,995,106</u>	<u>-</u>	<u>2,995,106</u>
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
RECEIVABLES, June 30, 2017					-
PAYABLES, June 30, 2017					-
FUND BALANCE (DEFICIT), June 30, 2017					<u>\$ -</u>

See Independent Auditors Report

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
PUBLIC SCHOOL CAPITAL IMPROVEMENTS - FUND 63400
Year Ended June 30, 2017**

	Project Authorization	Prior Years	Current Year	Total to Date
CASH RECEIPTS				
Laws of 2001, CH 338 (SSTB 2009-2010)	\$ 18,500,000	18,479,862	-	18,479,862
Laws of 2001, CH 338 (SSTB 2008-2009)	20,000,000	18,052,178	-	18,052,178
Laws of 2001, CH 338 (SSTB 2007-2008)	20,500,000	18,978,783	-	18,978,783
Laws of 2001, CH 338 (SSTB 2006-2007)	18,500,000	18,001,324	-	18,001,324
Laws of 2001, CH 338 (SSTB 2005-2006)	20,001,934	17,981,305	-	17,981,305
Laws of 2001, CH 338 (SSTB 2004-2005)	13,200,000	13,037,930	-	13,037,930
Laws of 2001, CH 338 (SSTB 2003-2004)	14,200,000	13,398,000	-	13,398,000
Laws of 2001, CH 338 (SSTB 2001-2002)	8,500,000	7,741,009	-	7,741,009
Laws of 2000, CH 15 General Fund 2000-2001	5,732,800	5,732,800	-	5,732,800
Laws of 1999, CH 3 General Fund 1999-2000	6,595,500	6,595,500	-	6,595,500
Refund		34,415	-	34,415
Laws of 1998, CH 116 General Fund 1998-1999	7,200,000	7,200,000	-	7,200,000
Laws of 1996, CH 13 GO Bonds 1996-1997	5,000,000	4,995,360	-	4,995,360
Laws of 1995, CH 13 General Fund, 1995-1996, p182	7,000,000	7,000,000	-	7,000,000
Laws of 1994, CH 148 General Fund, 1994-1995 s.53 p.1489	9,600,000	9,600,000	-	9,600,000
Adjustments	-	442,770	-	442,770
TOTAL CASH RECEIPTS	174,530,234	167,271,236	-	167,271,236
CASH OUTLAYS				
Laws of 2001, CH 338 (SSTB 2009-2010)	\$ 18,500,000	19,030,997	-	19,030,997
Laws of 2001, CH 338 (SSTB 2008-2009)	20,000,000	17,983,979	-	17,983,979
Laws of 2001, CH 338 (SSTB 2007-2008)	20,500,000	18,760,602	-	18,760,602
Laws of 2001, CH 338 (SSTB 2006-2007)	18,500,000	17,932,990	-	17,932,990
Laws of 2001, CH 338 (SSTB 2005-2006)	20,001,934	18,035,011	-	18,035,011
Laws of 2001, CH 338 (SSTB 2004-2005)	13,200,000	13,037,930	-	13,037,930
Laws of 2001, CH 338 (SSTB 2003-2004)	14,200,000	13,398,000	-	13,398,000
Laws of 2001, CH 338 (SSTB 2001-2002)	8,500,000	7,863,033	-	7,863,033
Laws of 2000, CH 15 General Fund 2000-2001	5,732,800	3,648,024	-	3,648,024
Laws of 1999, CH 3 General Fund 1999-2000	6,595,500	5,411,351	-	5,411,351
Laws of 1998, CH 116 General Fund 1998-1999	7,200,000	6,061,387	-	6,061,387
Laws of 1996, CH 13 GO Bonds 1996-1997	5,000,000	5,000,000	-	5,000,000
Laws of 1995, CH 13 General Fund, 1995-1996, p182	7,000,000	7,374,813	-	7,374,813
Laws of 1994, CH 148 General Fund, 1994-1995 s.53 p.1489	9,600,000	9,300,170	-	9,300,170
TOTAL CASH OUTLAYS	174,530,234	162,838,287	-	162,838,287
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	\$ -	4,432,949	-	4,432,949
RECEIVABLES, June 30, 2017				\$ -
PAYABLES, June 30, 2017				(4,367,738)
FUND BALANCE (DEFICIT), June 30, 2017				65,211

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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND -
PUBLIC SCHOOL CAPITAL OUTLAY - FUND 63500
Year Ended June 30, 2017**

	Project			Total
	Authorization	Prior Years	Current Year	to Date
CASH RECEIPTS				
Laws of 2001, Ch 338 (STB04-05)	\$ 16,969,586	13,323,620		13,323,620
2003-04 Severance Tax Bonds	86,087,753	84,855,225		84,855,225
2002-03 Severance Tax Bonds	95,676,311	95,634,965		95,634,965
Laws of 2002, Ch 44 (General Fund-1420)	1,000,000	1,000,000		1,000,000
2001-02 Severance Tax Bonds	99,140,730	99,129,670		99,129,670
Lottery 2001-02	3,859,271	423,790		423,790
2000-01, General Obligation Bonds	5,000,000	4,839,047		4,839,047
Lottery allocation 00-01	15,000,000	14,005,489		14,005,489
Lottery 99-00 allocation (9904)	10,000,000	10,000,000		10,000,000
Lottery 99-00 allocation	-	4,883,802		4,883,802
Laws of 1998, Ch 7 and 118 (STBs 9803 & 9804)	6,400,000	6,385,949		6,385,949
Lottery 98-99 allocation (9806)	13,000,000	11,908,015		11,908,015
Laws of 1998, Ch 5(General Fund 9805)	5,000,000	5,000,000		5,000,000
Laws of 1998, Ch 87 (GOB 9807)	10,000,000	9,883,957		9,883,957
Lottery 97-98 allocation (9802)	17,500,000	10,154,830		10,154,830
Lottery 96-97 allocation	7,194,579	7,194,579		7,194,579
Lottery 96-97 allocation	-	7,983,327		7,983,327
Transfers	-	268,441		268,441
Reversion	(1,427,409)	-		-
TOTAL CASH RECEIPTS	390,400,821	386,874,706	-	386,874,706
CASH OUTLAYS				
Laws of 2001, Ch 338 (STB04-05)	\$ 16,969,586	10,844,357		10,844,357
2003-04 Severance Tax Bonds	86,087,753	7,968		7,968
2002-03 Severance Tax Bonds	95,676,311	78,116,453		78,116,453
Laws of 2002, Ch 44 (General Fund-1420)	1,000,000	102,374,067		102,374,067
2001-02 Severance Tax Bonds	99,140,730	19,041		19,041
Lottery 2001-02	3,859,271	914,800		914,800
2000-01, General Obligation Bonds	5,000,000	99,476,105		99,476,105
Lottery allocation 00-01	15,000,000	4,008,200		4,008,200
Lottery 99-00 allocation (9904)	10,000,000	5,026,023		5,026,023
Lottery 99-00 allocation	-	14,233,863		14,233,863
Laws of 1998, Ch 7 and 118 (STBs 9803 & 9804)	6,400,000	9,997,194		9,997,194
Lottery 98-99 allocation (9806)	13,000,000	6,310,471		6,310,471
Laws of 1998, Ch 5(General Fund 9805)	5,000,000	13,036,343		13,036,343
Laws of 1998, Ch 87 (GOB 9807)	10,000,000	5,047,630		5,047,630
Lottery 97-98 allocation (9802)	17,500,000	10,003,582		10,003,582
Lottery 96-97 allocation	7,194,579	17,497,199		17,497,199
Lottery 96-97 allocation	-	7,145,925		7,145,925
Transfers	-	1,039,745		1,039,745
Reversion	-	-		-
Adjustments	-	672,696		672,696
TOTAL CASH OUTLAYS	391,828,230	385,771,662	-	385,771,662
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	\$ (1,427,409)	1,103,044	-	1,103,044
RECEIVABLES, June 30, 2017				\$ -
PAYABLES, June 30, 2017				-
FUND BALANCE, June 30, 2017				\$ 1,103,044

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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
SPECIAL CAPITAL OUTLAY - SEVERANCE TAX BONDS 2000 - FUND 81300
Year Ended June 30, 2017

	Project Authorization	Prior Years	Current Year	Total to Date
CASH RECEIPTS				
Laws of 2003, CH 429 (STB)	\$ 20,000	20,000	-	20,000
Laws of 2002, CH 110 Sec 23 (STB)	15,332,920	13,211,294	-	13,211,294
Reversions	(721,570)	-	-	-
Laws of 2000, CH 23, Sec. 16 (STB)	10,720,080	10,144,393	-	10,144,393
Reversions	(50,000)	-	-	-
	-	109,356	-	109,356
TOTAL CASH RECEIPTS	25,301,430	23,485,043	-	23,485,043
CASH OUTLAYS				
Laws of 2003, CH 429 (STB)	20,000	40,000	-	40,000
Laws of 2002, CH 110 Sec 23 (STB)	15,332,920	13,247,902	-	13,247,902
Reversions	(721,570)	-	-	-
Laws of 2000, CH 23, Sec. 16 (STB)	10,720,080	10,251,458	-	10,251,458
Reversions	(50,000)	0	-	-
Adjustment		(244,073.00)	-	(244,073)
Transfer		152,659	-	152,659
TOTAL CASH OUTLAYS	25,301,430	23,447,946	-	23,447,946
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	\$ -	37,097	-	37,097
RECEIVABLES, June 30, 2017				\$ -
PAYABLES, June 30, 2017				-
FUND BALANCE (DEFICIT), June 30, 2017				\$ 37,097

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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
SPECIAL CAPITAL OUTLAY 2004 - FUND 81600
Year Ended June 30, 2017**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
CASH RECEIPTS				
Laws of 2010, CH3, Sec 10 C 3 (GOB)	\$ 500,000	499,998	-	499,998
Laws of 2010, CH3, Sec 10 C 2 (GOB)	2,000,000	1,890,415	-	1,890,415
Laws of 2010, CH3, Sec 10 C 1 (GOB)	2,000,000	1,731,199	-	1,731,199
Laws of 2010, CH3, Sec 10 B (GOB)	2,000,000	1,847,041	-	1,847,041
Laws of 2010, CH7, Sec 3 (STB)	2,873,589	371,794	-	371,794
Laws of 2009, CH7 (STB)	2,873,516	1,947,709	-	1,947,709
Laws of 2010, CH 4, Sec 34 (STB)	100,000	100,000	-	100,000
BOF Reversions	(100,000)	-	-	-
Laws of 2008, Ch 80 (GOB)	3,000,000	2,938,932	-	2,938,932
Laws of 2009, CH 125 Sec 16 (STB)	7,000,000	4,999,999	-	4,999,999
BOF Reversions	(2,000,000)	-	-	-
Laws of 2008 CH 92 (STB)	12,828,469	11,816,087	-	11,816,087
Change in authorization FY 2010	700,000	-	-	-
Change in authorization FY 2010	(320,469)	-	-	-
BOF Reversions	(700,000)	-	-	-
Art in Public Places	(64,630)	-	-	-
Transfers	-	-	-	-
Laws of 2007, CH 42, Sec 12 (STB)	300,000	297,000	-	297,000
Art in Public Places	(3,000)	-	-	-
Laws of 2006, CH 108 (GOB)	3,000,000	2,577,855	-	2,577,855
BOF Reversions	(422,145)	-	-	-
Laws of 2006 CH 111 (STB)	19,247,200	17,626,928	-	17,626,928
Change in authorization FY 2010	(235,000)	-	-	-
Change in authorization FY 2010	(364,607)	-	-	-
Change in authorization FY 2010	112,377	-	-	-
Art in Public Places	(72,500)	-	-	-
BOF Reversions	(41,243)	-	-	-
Laws of 2005, CH 347 (STB)	12,678,400	12,160,756	-	12,160,756
Change in authorization FY 2010	150,000	-	-	-
Change in authorization FY 2010	(402,809)	-	-	-
Art in Public Places	(10,400)	-	-	-
BOF Reversions	(210,752)	-	-	-
Laws of 2004, CH 117 (GOB)	11,156,000	10,992,308	-	10,992,308
Transfers	(4,619,877)	-	-	-
Other	(6,935)	-	-	-
BOF Reversions	(90,373)	-	-	-
BOF Reversions	(73,318)	-	-	-
Laws of 2004, CH 126 (STB)	10,963,000	10,530,802	-	10,530,802
Change in authorization FY 2010	(150,000)	-	-	-
Change in authorization FY 2010	(686)	-	-	-
Art in Public Places	(14,700)	-	-	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
SPECIAL CAPITAL OUTLAY 2004 - FUND 81600 - CONTINUED
Year Ended June 30, 2017**

	Project Authorization	Prior Years	Current Year	Total to Date
CASH RECEIPTS (CONTINUED)				
BOF Reversions	\$ (257,155)	-	-	-
Laws of 2003, CH 429 (STB)	8,975,613	8,729,660	-	8,729,660
Change in authorization FY 2010	24,453	-	-	-
BOF/PED adjustment	20,000	(35,000)	-	(35,000)
Change in authorization FY 2010	(996)	-	-	-
BOF Reversions	(275,547)	-	-	-
Art in Public Places	(1,050)	-	-	-
Laws of 2002, CH 110 (STB)	309,034	322,522	-	322,522
BOF/PED adjustment	-	45,749	64,397	110,146
BOF Reversions	(2,544)	-	-	-
TOTAL CASH RECEIPTS	92,370,915	91,391,754	64,397	91,456,151
CASH OUTLAY				
Laws of 2010, CH3, Sec 10 C 3 (GOB)	\$ 500,000	499,998	-	499,998
Laws of 2010, CH3, Sec 10 C 2 (GOB)	2,000,000	2,000,000	-	2,000,000
Laws of 2010, CH3, Sec 10 C 1 (GOB)	2,000,000	1,872,676	-	1,872,676
Laws of 2010, CH3, Sec 10 B (GOB)	2,000,000	2,000,000	-	2,000,000
Laws of 2010, CH7, Sec 3 (STB)	2,873,589	862,940	-	862,940
Laws of 2009, CH7 (STB)	2,873,516	1,947,709	-	1,947,709
Laws of 2010, CH 4, Sec 34 (STB)	100,000	100,000	-	100,000
BOF Reversions	(100,000)	-	-	-
Laws of 2008, Ch 80 (GOB)	3,000,000	3,000,000	-	3,000,000
Laws of 2009, CH 125 Sec 16 (STB)	7,000,000	4,999,999	-	4,999,999
BOF Reversions	(2,000,000)	-	-	-
Laws of 2008 CH 92 (STB)	12,828,469	11,801,140	-	11,801,140
Change in authorization FY 2010	700,000	-	-	-
Change in authorization FY 2010	(320,469)	-	-	-
BOF Reversions	(700,000)	-	-	-
Art in Public Places	(64,630)	5,880	-	5,880
Transfers	-	-	-	-
Laws of 2007, CH 42, Sec 12 (STB)	300,000	297,000	-	297,000
Art in Public Places	(3,000)	-	-	-
Laws of 2006, CH 108 (GOB)	3,000,000	2,432,794	-	2,432,794
BOF Reversions	(422,145)	-	-	-
Laws of 2006 CH 111 (STB)	19,247,200	17,522,160	-	17,522,160
Change in authorization FY 2010	(235,000)	-	-	-
Change in authorization FY 2010	(364,607)	-	-	-
Change in authorization FY 2010	112,377	-	-	-
Art in Public Places	(72,500)	-	-	-
BOF Reversions	(41,243)	-	-	-
Laws of 2005, CH 347 (STB)	12,678,400	12,258,185	-	12,258,185
Change in authorization FY 2010	150,000	-	-	-
Change in authorization FY 2010	(402,809)	-	-	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
SPECIAL CAPITAL OUTLAY 2004 - FUND 81600 - CONTINUED
Year Ended June 30, 2017**

	Project Authorization	Prior Years	Current Year	Total to Date
CASH OUTLAY (CONTINUED)				
Art in Public Places	\$ (10,400)	-	-	-
BOF Reversions	(210,752)	-	-	-
Laws of 2004, CH 117 (GOB)	11,156,000	10,953,095	-	10,953,095
Transfers	(4,619,877)	-	-	-
Other	(6,935)	-	-	-
BOF Reversions	(90,373)	-	-	-
BOF Reversions	(73,318)	-	-	-
Laws of 2004, CH 126 (STB)	10,963,000	10,099,687	-	10,099,687
Change in authorization FY 2010	(150,000)	-	-	-
Change in authorization FY 2010	(686)	-	-	-
Art in Public Places	(14,700)	-	-	-
BOF Reversions	(257,155)	-	-	-
Laws of 2003, CH 429 (STB)	8,975,613	9,088,354	-	9,088,354
Change in authorization FY 2010	24,453	-	-	-
BOF/PED adjustment	20,000	-	-	-
Change in authorization FY 2010	(996)	-	-	-
BOF Reversions	(275,547)	-	-	-
Art in Public Places	(1,050)	-	-	-
Laws of 2002, CH 110 (STB)	309,034	218,145	-	218,145
BOF/PED adjustment	-	(477,079)	-	(477,079)
BOF Reversions	(2,544)	-	-	-
Transfers	-	(234,710)	-	(234,710)
TOTAL CASH OUTLAYS	92,370,915	91,247,973	-	91,247,973
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	\$ -	143,781	64,397	208,178
OTHER ASSETS, June 30, 2017				\$ 38,186
PAYABLES, June 30, 2017				(88,744)
FUND BALANCE (DEFICIT), June 30, 2017				\$ 157,620

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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
SPECIAL CAPITAL OUTLAY 2000 - FUND 81800
Year Ended June 30, 2017

	Project			Total
	Authorization	Prior Years	Current Year	to Date
CASH RECEIPTS				
Laws of 2002, CH 23	\$ 2,178,000	2,178,000	-	2,178,000
Increase in Authorization, Laws of 2002, CH 23	85,000	-	-	-
Laws of 2001	1,200,000	1,200,000	-	1,200,000
Reversions 2010	(53,408)	-	-	-
Laws of 2002 CH 110 (STB)	373,750	250,360	-	250,360
Reversions--Reduction in Auth, Laws of 2002, CH 110	(33,755)	-	-	-
Laws of 2003 CH 429 (STB)	85,000	17,257	-	17,257
Laws of 2003 CH 429	3,280,800	3,280,800	-	3,280,800
Reversions 2010	(151,803)	-	-	-
Reauthorization, Laws of 2006, Ch. 107, Sec 147	(100,000)	-	-	-
Laws of 2003 CH 385	880,300	880,300	-	880,300
Reversion-Reduction in Auth, Laws of 2003, Ch. 385 (HB9)	(75,000)	(75,000)	-	(75,000)
Laws of 2004 CH 126 Sec 145	500,000	500,000	-	500,000
Laws of 2004 CH 126 Sec 136 & 137	21,330,831	21,330,831	-	21,330,831
Reversion- Reduction in Auth, Laws of 2004, Ch. 126 HB9 (04-2557 \$25K/04	(45,000)	(45,000)	-	(45,000)
Reversions 2010	(636,869)	-	-	-
Laws of 2005 CH 347 Sec 48	20,060,590	20,060,590	-	20,060,590
Reversions 2010	(715,395)	-	-	-
Reauthorization, Laws of 2005, CH 347 (05-1969)	(56,147)	-	-	-
Reauthorization, Laws of 2007, Ch 341	(376,477)	-	-	-
Laws of 2005 CH 347 Sec 256	50,000	50,000	-	50,000
Laws of 2006, CH 111, Sec 39	25,826,000	25,626,000	-	25,626,000
Reauthorization, Laws of 2007, Ch 341, item 328	(200,000)	-	-	-
Reversions 2010	(1,047,787)	-	-	-
Reauthorization Laws 2007, Ch 341	(740,000)	-	-	-
Reauthorization (08-5285)	(30,000)	-	-	-
Laws of 2006, Ch. 107, Sec. 175, 64, 87, 32, 142	256,400	220,000	-	220,000
Laws of 2007, Ch. 2, Sec. 16	11,302,100	11,302,100	-	11,302,100
Reversions 2012	-	-	-	-
Laws of 2007, Ch. 42, Sec. 55	52,305,034	52,397,149	-	52,397,149
Laws of 2007, Ch 42, Sec 99	50,000	50,000	-	50,000
Reauthorization, Laws of 2007, Ch 42, Sec 99	(130,000)	-	-	-
Laws of 2007, Ch 334, Sec 5K	100,000	100,000	-	100,000
Reversions 2010	(6,521,951)	-	-	-
Reauthorization, Laws of 2007, Ch 42, Sec 55	(2,640,000)	-	-	-
Laws of 2007, Ch 341, Sec 232, 204, 205, 207, 209, 232, 333	2,421,000	2,421,000	-	2,421,000
Laws of 2008, Ch. 92, Sec. 44	18,980,000	19,008,465	-	19,008,465
Reversions 2010	(3,213,650)	-	-	-
Reauthorization, Laws of 2008, Ch 92	(79,000)	-	-	-
Laws of 2008, Ch. 83, Sec. 108, 173, 312, 102, 84, 115, 232, 351	405,000	405,000	-	405,000
Reauthorization (08-5074)	(25,000)	-	-	-
Laws of 2009, Ch. 128, various secs.	1,528,426	1,453,425	-	1,453,425
Refunds/cancelled warrants		31,140	-	31,140
Reversions of 2012	(6,536)	6,921	-	6,921
Transfers		313,255	-	313,255
Adjustments		24,872	-	24,872
TOTAL CASH RECEIPTS	\$ 146,320,451	162,987,465	-	162,987,465

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
SPECIAL CAPITAL OUTLAY 2000 - FUND 81800 - CONTINUED
Year Ended June 30, 2017**

	Project Authorization	Prior Years	Current Year	Total to Date
CASH OUTLAY				
Laws of 2002, CH 23	\$ 2,178,000	2,855,622	-	2,855,622
Increase in Authorization, Laws of 2002, CH 23	85,000	-	-	-
Laws of 2001	1,200,000	453,968	-	453,968
Reversions 2010	(53,408)	53,408	-	53,408
Laws of 2002 CH 110 (STB)	373,750	283,522	-	283,522
Reversions--Reduction in Auth, Laws of 2002, CH 110	(33,755)	-	-	-
Laws of 2003 CH 429 (STB)	85,000	85,000	-	85,000
Laws of 2003 CH 429	3,280,800	3,401,611	-	3,401,611
Reversions 2010	(151,803)	151,803	-	151,803
Reauthorization, Laws of 2006, Ch. 107, Sec 147	(100,000)	100,000	-	100,000
Laws of 2003 CH 385	880,300	531,009	-	531,009
Reversion-Reduction in Auth, Laws of 2003, Ch. 385	(75,000)	-	-	-
Laws of 2004 CH 126 Sec 145	500,000	126,074	-	126,074
Laws of 2004 CH 126 Sec 136 & 137	21,330,831	20,583,475	-	20,583,475
Reversion- Reduction in Auth, Laws of 2004, Ch. 126	(45,000)	-	-	-
Reversions 2010	(636,869)	636,869	-	636,869
Laws of 2005 CH 347 Sec 48	20,060,590	19,554,219	-	19,554,219
Reversions 2010	(715,395)	715,395	-	715,395
Reauthorization, Laws of 2005, CH 347	(56,147)	-	-	-
Reauthorization, Laws of 2007, Ch 341	(376,477)	1,100	-	1,100
Laws of 2005 CH 347 Sec 48 - reauthorization	50,000	50,000	-	50,000
Laws of 2005 CH 347 Sec 48 - reauthorization	-	230,150	-	230,150
Laws of 2006, CH 111, Sec 39	25,826,000	24,750,338	-	24,750,338
Reauthorization, Laws of 2007, Ch 341, item 328	(200,000)	-	-	-
Reversions 2010	(1,047,787)	1,047,787	-	1,047,787
Reauthorization Laws 2007, Ch 341	(740,000)	-	-	-
Reauthorization (08-5285)	(30,000)	-	-	-
Laws of 2006, Ch. 107, Sec. 175, 64, 87, 32, 142	256,400	216,512	-	216,512
Laws of 2007, Ch. 2, Sec. 16	11,302,100	9,931,610	-	9,931,610
Reversions 2012	-	6,536	-	6,536
Laws of 2007, Ch. 42, Sec. 55	52,305,034	45,301,151	-	45,301,151
Reversions 2010	(6,521,951)	6,521,951	-	6,521,951
Reauthorization, Laws of 2007, Ch 42, Sec 55	(2,640,000)	1,790,000	-	1,790,000
Reversions 2012	-	231,374	-	231,374
Laws of 2007, Ch 341, Sec 104, 204, 207, 209, 232, 333	2,421,000	2,013,633	-	2,013,633
Reversions 2012	-	945	-	945
Laws of 2008, Ch. 92, Sec. 44	18,980,000	14,815,628	-	14,815,628
Reversions 2010	(3,213,650)	3,213,650	-	3,213,650
Reversions 2012	-	36,649	-	36,649
Reauthorization, Laws of 2008, Ch 92	(79,000)	40,000	-	40,000
Laws of 2008, Ch. 83, Sec. 108, 173, 312, 102, 84, 115, 232, 351	405,000	891,162	-	891,162
Reauthorization Laws 2006, Ch 111., Sec. 52	(25,000)	25,000	-	25,000
AIPP Transfer	-	1,200	-	1,200
Laws of 2009, Ch. 128, various sections	1,528,425	1,187,972	-	1,187,972
Reversions	-	-	-	-
Reversions 2013	-	39,394	-	39,394
Adjustment	-	315,724	-	315,724
Transfers	-	741,481	-	741,481
TOTAL CASH OUTLAYS	146,306,986	162,932,924	-	162,932,924
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	\$ -	54,542	-	54,542
OTHER ASSETS, June 30, 2017				\$ 7,350
LIABILITIES, June 30, 2017				(220,578)
FUND BALANCE (DEFICIT), June 30, 2017				\$ (158,686)

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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
STB CAPITAL OUTLAY - FUND 89200
Year Ended June 30, 2017

	Project Authorization	Prior Years	Current Year	Total to Date
Cash Receipts = Revenue less Accounts Receivable				
Laws of 2001, CH 338 SB9 (SSTB 2011-2012) A-11004	19,200,000	16,716,455	50,132	16,766,587
Laws of 2001, CH 338 SB9 (SSTB 2010-2011) A-101320	18,800,000	18,681,629	35,204	18,716,833
Laws 2001 CH 338 SB9 (SSTB 2012-2013) A-120023	19,600,000	9,197,959	366,335	9,564,294
Laws 2001 CH 338 SB9 (SSTB 2012-2013) Reauthorization A-150003	25,200,000	9,120,174	13,946,623	23,066,797
Laws of 2012, CH 63 (STB 2012-2013) Reauthorization (A-083044, A-083045, A-083048)	708,067	707,776	-	707,776
Laws of 2012, CH 64 (STB 2012-2013) See tab new projects 2012 (multiple)	7,157,500	5,128,327	24,609	5,152,936
Laws of 2012, CH 64 (STB 2012-2013) Reauthorization (A-13-1366, A-13-1619)	200,167	87,379	-	87,379
Laws of 2013, CH 226 (STB 2012-2013) See tab new projects 2013 (multiple)	26,721,102	15,492,812	1,714,798	17,207,610
Laws of 2013, CH 226 & 338 (SSTB 2012-2013) See tab new projects 2013 (multiple)	15,500,000	10,212,411	2,093,068	12,305,479
Laws of 2013, CH 226 & 338 (SSTB 2012-2013) Reauthorization (A-13-1798)	50,000	-	44,351	44,351
Laws of 2013, CH 226 & 338 (SSTB 2012-2013) See tab new projects 2013 (multiple) & A-130004	39,800,000	26,649,448	8,192,067	34,841,515
Laws of 2012, CH 54 (GOB 2012-2013) See tab new projects 2013 (multiple) A-121235	3,000,000	2,463,307	263,423	2,726,730
Laws of 2014, CH 66 (2013-2014) See tab new projects 2013 (multiple)	14,895,000	14,764,299	104,219	14,868,518
Laws of 2014, CH 66 (2013-2014) Reauthorization See tab new projects 2015 (multiple)	982,000	565,623	61,711	627,334
Laws of 2015, CH 3 (STB 2014-2015) See tab new projects 2015 (multiple)	13,322,036	7,294,788	1,840,947	9,135,735
Laws of 2014, CH 65 (GOB 2014-2015) See tab new projects 2015 (multiple)	3,500,000	1,525,381	1,176,698	2,702,079
Laws of 2015, CH 3 (SSTB 2014-2015) See tab new projects 2015 (multiple)	5,000,000	1,914,630	2,441,907	4,356,537
Laws of 2016, CH 81 (SSTB 2014-2015) See tab new projects 2016 (multiple)	11,768,973	-	9,242,534	9,242,534
Laws of 2015, CH 3 (STB 2014-2015) See tab new projects 2016 (multiple)	350,000	-	-	-
Laws of 2016, CH 2 (SSTB 2015-2016) See tab new projects 2016	12,500,000	-	12,500,000	12,500,000
Laws of 2016, CH 82 (GOB 2015-2016) See tab new projects 2016	3,000,000	-	-	-
Laws of 2001, CH 338 (SSTB 2011-2012) Reauthorized See tab Ch338 15.5M	15,500,000	-	7,861,018	7,861,018
Laws of 2001, CH 338 (SSTB 2011-2012) Reauthorized See tab Ch338 7M	7,000,000	-	6,994,699	6,994,699
Total cash receipts	263,754,845	140,522,398	68,954,343	209,476,741

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND (Continued)
STB CAPITAL OUTLAY - FUND 89200
Year Ended June 30, 2017

Cash Outlays=Expenditures less Accounts Payable				
Laws of 2001, CH 338 SB9 (SSTB 2011-2012) A-11004	19,200,000	16,462,864	47,177	16,510,041
Laws of 2001, CH 338 SB9 (SSTB 2010-2011) A-101320	18,800,000	16,653,977	29,367	16,683,344
Laws 2001 CH 338 SB9 (SSTB 2012-2013) A-120023	19,600,000	9,744,443	365,462	10,109,905
Laws 2001 CH 338 SB9 (SSTB 2012-2013) Reauthorization A-150003	25,200,000	9,120,174	13,099,051	22,219,225
Laws of 2012, CH 63 (STB 2012-2013) Reauthorization (A-083044, A-083045, A-083048)	708,067	199,709	508,067	707,776
Laws of 2012, CH 64 (STB 2012-2013) See tab new projects 2012 (multiple)	7,157,500	5,315,805	-	5,315,805
Laws of 2012, CH 64 (STB 2012-2013) Reauthorization (A-13-1366, A-13-1619)	200,167	87,379	-	87,379
Laws of 2013, CH 226 (STB 2012-2013) See tab new projects 2013 (multiple)	26,721,102	14,044,422	867,659	14,912,081
Laws of 2013, CH 226 & 338 (SSTB 2012-2013) See tab new projects 2013 (multiple)	15,500,000	10,995,807	563,300	11,559,107
Laws of 2013, CH 226 & 338 (SSTB 2012-2013) Reauthorization (A-13-1798)	50,000	-	44,351	44,351
Laws of 2013, CH 226 & 338 (SSTB 2012-2013) See tab new projects 2013 (multiple) & A-130004	39,800,000	26,902,726	8,534,375	35,437,101
Laws of 2012, CH 54 (GOB 2012-2013) See tab new projects 2013 (multiple) A-121235	3,000,000	1,003,472	827	1,004,299
Laws of 2014, CH 66 (2013-2014) See tab new projects 2013 (multiple)	14,895,000	14,817,973	77,027	14,895,000
Laws of 2014, CH 66 (2013-2014) Reauthorization See tab new projects 2015 (multiple)	982,000	627,334	175,950	803,284
Laws of 2015, CH 3 (STB 2014-2015) See tab new projects 2015 (multiple)	13,322,036	7,451,185	2,257,829	9,709,014
Laws of 2014, CH 65 (GOB 2014-2015) See tab new projects 2015 (multiple)	3,500,000	1,524,646	1,221,904	2,746,550
Laws of 2015, CH 3 (SSTB 2014-2015) See tab new projects 2015 (multiple)	5,000,000	1,914,630	2,441,907	4,356,537
Laws of 2016, CH 81 (STB 2015-2016) See tab new projects 2016 (multiple)	11,768,973	-	9,242,534	9,242,534
Laws of 2015, CH 3 (STB 2014-2015) Reauthorization See tab new projects 2016 A15-0434	350,000	-	-	-
Laws of 2016, CH 2 (SSTB 2015-2016) See tab new projects 2016	12,500,000	-	12,500,000	12,500,000
Laws of 2016, CH 82 (GOB 2015-2016) See tab new projects 2016	3,000,000	-	-	-
Laws of 2001, CH 338 (SSTB 2011-2012) Reauthorized See tab Ch338 15.5M	15,500,000	-	1,397,471	1,397,471
Laws of 2001, CH 338 (SSTB 2011-2012) Reauthorized See tab Ch338 7M	7,000,000	-	6,994,699	6,994,699
Adjustment	-	400,103	-	400,103
Total cash outlays	<u>263,754,845</u>	<u>137,266,649</u>	<u>60,368,957</u>	<u>197,635,606</u>
Excess of cash received over cash outlays	<u>\$ -</u>	<u>3,255,749</u>	<u>8,585,386</u>	<u>11,841,135</u>
Receivables, June 30, 2017				-
Payables, June 30, 2017				<u>(11,907,335)</u>
Fund balance, June 30, 2017				<u>\$ (66,200)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
GENERAL FUND - FUND 93100
Year Ended June 30, 2017

	Project			
	Authorization	Prior Years	Current Year	Total to Date
CASH RECEIPTS				
Laws of 2011, Senate Bill 373				
Account 101900	\$ 689,258	680,641		680,641
Less return of funds to DFA		(48,790)		(48,790)
Transfers		(54,858)	-	(54,858)
TOTAL CASH RECEIPTS	689,258	576,993	-	576,993
CASH OUTLAYS				
Laws of 2011, Senate Bill 373				
Account 101900	689,258	548,864	-	548,864
TOTAL CASH OUTLAYS	689,258	548,864	-	548,864
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	\$ -	28,129	-	28,129
RECEIVABLES, June 30, 2017				\$ -
PAYABLES, June 30, 2017				(34,680)
FUND BALANCE (DEFICIT), June 30, 2017				\$ (6,551)

See Independent Auditors Report

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2017

VOLUME II



**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017**

<u>Federal Agency / Pass-Through Agency</u>	<u>Pass - Through</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Expenditures</u>	<u>Department Expenditures</u>	<u>Total Federal Expenditures</u>
PUBLIC EDUCATION DEPARTMENT					
DEPARTMENT OF AGRICULTURE:					
Food and Nutrition Service:					
Child Nutrition Cluster	Federal Direct	10.553/10.555	\$ 146,007,633	\$ 1,361,189	\$ 147,368,822
Total Child Nutrition Cluster					<u>147,368,822</u>
New Meal Patterns/SAE	Federal Direct	10.560	-	8,866	8,866
Fresh Fruit and Vegetable Program	Federal Direct	10.582	2,044,867	65,871	2,110,738
National School Lunch Program - Equipment	Federal Direct	10.579	208,000	-	208,000
TOTAL U.S. DEPARTMENT OF AGRICULTURE					<u>149,696,426</u>
U.S. DEPARTMENT OF EDUCATION:					
Office of Elementary and Secondary Education:					
Title I Grants to Local Educational Agencies	Federal Direct	84.010A	112,535,993	930,172	113,466,165
Total Title I Grants to Local Education Agencies					<u>113,466,165</u>
School Achievement Fund 1003(g)	Federal Direct	84.377A	2,139,441	380,443	2,519,884
Total School Achievement Fund 1003(g)					<u>2,519,884</u>
Education for Homeless Children and Youth	Federal Direct	84.196A	355,282	114,008	469,290
Total Education for the Homeless					<u>469,290</u>
Migrant Education - State Grant Program	Federal Direct	84.011A	753,034	211,813	964,847
Title I Program for Neglected and Delinquent Children	Federal Direct	84.013A	285,559	2,607	288,166
MEP Consort. Incentive Grants (Migrant Consortium)	Federal Direct	84.144F	-	81,668	81,668
School Safety National Activities	Federal Direct	84.184E	-	11,263	11,263
Twenty-first Century Community Learning Centers	Federal Direct	84.287C	8,001,499	385,659	8,387,158
Rural Education	Federal Direct	84.358B	946,363	27,499	973,862
Title III English Language Acquisition Grants	Federal Direct	84.365A	4,188,346	246,434	4,434,780
Mathematics and Science Partnerships	Federal Direct	84.366B	-	1,486,408	1,486,408
Title II Improving Teacher Quality State Grants	Federal Direct	84.367A	15,537,505	493,580	16,031,085
Grants for State Assessments and Related Activities	Federal Direct	84.369A	-	3,950,112	3,950,112
Total Office of Elementary and Secondary Education					<u>153,064,688</u>
Office of Special Education and Rehabilitative Services:					
Special Education Cluster (IDEA)					
Special Education - Grants to States	Federal Direct	84.027A	69,010,651	12,168,210	81,178,861
Special Education - Preschool Grants	Federal Direct	84.173A	1,938,855	817,442	2,756,297
Total Special Education Cluster (IDEA)					<u>83,935,158</u>
Special Education - State Personnel Development	Federal Direct	84.323A	-	804,220	804,220
Office of Innovation and Improvement:					
Advance Placement Program	Federal Direct	84.330B	-	156,800	156,800
Race to the Top	Federal Direct	84.412A	-	9,424,649	9,424,649
Total Office of Innovation and Improvement					<u>9,581,449</u>

See Notes to the Schedule of Expenditures of Federal Awards

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2017

Federal Agency / Pass-Through Agency	Pass - Through	Federal CFDA Number	Pass-Through Expenditures	Department Expenditures	Total Federal Expenditures
U.S. DEPARTMENT OF EDUCATION - continued:					
Office of Vocation and Adult Education:					
Carl Perkins - Voc. Educ. - Basic Grants to States/Adult Educ. - State Grant Program	Federal Direct	84.048A	6,507,682	1,325,014	7,832,696
TOTAL U.S. DEPARTMENT OF EDUCATION					<u>255,218,211</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
Centers for Disease Control and Prevention:					
Centers for Disease Control and Prev. - Investigations and Tech. Assistance	Federal Direct	93.283	-	371,893	371,893
Office of the Secretary					
Pregnancy Assistance Fund Program	Federal Direct	93.500	-	1,399,473	1,399,473
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					<u>1,771,366</u>
TOTAL EXPENDITURES - PUBLIC EDUCATION DEPARTMENT			<u>\$ 370,460,710</u>	<u>\$ 36,225,293</u>	<u>\$ 406,686,003</u>

See Notes to the Schedule of Expenditures of Federal Awards

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2017**

Federal Agency / Pass-Through Agency	Pass - Through	Federal CFDA Number	Federal Participating Expenditures
DEPARTMENT OF VOCATIONAL REHABILITATION			
U.S. DEPARTMENT OF EDUCATION:			
Office of Special Education and Rehabilitative Services:			
Rehabilitation Services Cluster			
	Federal Direct	84.126A	\$ 19,874,872
Rehabilitation Services - Vocational Rehabilitation Grants to States			<u>19,874,872</u>
TOTAL REHABILITATION SERVICE CLUSTER			<u>19,874,872</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>19,874,872</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Independent Living State Grants	Federal Direct	93.369	<u>248,471</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>248,471</u>
SOCIAL SECURITY ADMINISTRATION:			
Disability Insurance	Federal Direct	96.001	<u>13,375,406</u>
TOTAL SOCIAL SECURITY ADMINISTRATION			<u>13,375,406</u>
TOTAL EXPENDITURES - DEPARTMENT OF VOCATIONAL REHABILITATION			<u>33,498,749</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 440,184,752</u>

See Notes to the Schedule of Expenditures of Federal Awards

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the State of New Mexico Public Education Department (PED) for the year ended June 30, 2017 and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in the Schedule is presented in accordance with the requirements Title 2 U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the Department, its is not intended to and does no present financial position and changes in the net position of the Department.

NOTE 2. INDIRECT COST RATE

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the PED's federal award programs have been charged with indirect costs, based upon a rate established by the State of New Mexico, and the PED has elected not to use the 10% deminimis indirect costs rate allowed under the Uniform Guidance applied to overall expenditures. The PED's indirect cost rate for the year was 19.4% for the Department and 28.6% for the Division.

NOTE 3. NON-CASH ASSISTANCE

The Department did not receive any federal non-cash assistance during the year ended June 30, 2017.

NOTE 4. LOANS

The Department does not have any loans outstanding with the Federal government at June 30, 2017.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2017

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
84.010	Title I Grants to Local Educational Agencies		
		ACADEMY OF TRADES AND TECHNOLOGY	\$ 68,764
		ALAMOGORDO PUBLIC SCHOOLS	1,592,005
		ALBUQUERQUE INSTITUTE FOR MATH AND	5,836
		ALBUQUERQUE PUBLIC SCHOOLS	34,755,549
		ALBUQUERQUE SCHOOL OF EXCELLENCE	83,886
		ALBUQUERQUE SIGN LANGUAGE ACADEMY	35,272
		ALDO LEOPOLD CHARTER SCHOOL	60,668
		ALMAD'ARTE CHARTER HIGH SCHOOL	44,402
		AMY BIEHL CHARTER SCHOOL	70,933
		ANIMAS PUBLIC SCHOOLS	89,469
		ANTHONY CHARTER SCHOOL	42,432
		ARTESIA PUBLIC SCHOOLS	606,281
		AZTEC MUNICIPAL SCHOOL DISTRICT	307,003
		BELEN CONSOLIDATED SCHOOL DISTRICT	118,536
		BELEN CONSOLIDATED SCHOOLS	1,587,890
		BERNALILLO MUNICIPAL SCHOOL	998,267
		BLOOMFIELD SCHOOLS	978,693
		CAPITAN MUNICIPAL SCHOOLS	142,318
		CARINOS DE LOS NINOS CHARTER SCHOOL	38,449
		CARLSBAD MUNICIPAL SCHOOLS	1,028,412
		CARRIZOZO MUNICIPAL SCHOOLS	120,787
		CENTRAL CONSOLIDATED SCHOOLS #22	3,207,264
		CESAR CHAVEZ COMMUNITY SCHOOL	124,041
		CHAMA VALLEY INDEPENDENT	55,338
		CHAMA VALLEY INDEPENDENT SCHOOLS	(635)
		CIEN AGUAS INTERNATIONAL SCHOOL	77,848
		CIMARRON MUNICIPAL SCHOOLS	64,798
		CLAYTON MUNICIPAL SCHOOLS	94,985
		CLOUDCROFT MUNICIPAL SCHOOLS	81,363
		CLOVIS MUNICIPAL SCHOOLS	2,031,230
		COBRE CONSOLIDATED SCHOOLS	417,764
		CORAL COMMUNITY CHARTER	29,965
		CORONA PUBLIC SCHOOLS	15,780
		COTTONWOOD CLASSICAL PREPARATORY SCHOOL	43,130
		CUBA INDEPENDENT SCHOOLS	651,310
		DEMING PUBLIC SCHOOLS	3,652,329
		DES MOINES MUNICIPAL SCHOOLS	56,437
		DEXTER CONSOLIDATED SCHOOLS	176,278
		DORA CONSOLIDATED SCHOOL	45,334
		DULCE INDEPENDENT SCHOOLS #21	195,773
		DZIL DIT L'OOI SCHOOL OF EMPOWERMENT	31,530
		ELIDA MUNICIPAL SCHOOLS	12,860
		ESPANOLA PUBLIC SCHOOLS	1,607,769

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2017

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		ESTANCIA BOARD OF EDUCATION	243,287
		ESTANCIA VALLEY CLASSICAL ACADEMY	55,166
		EUNICE PUBLIC SCHOOLS	79,851
		EXPLORE ACADEMY	42,981
		FARMINGTON MUNICIPAL SCHOOLS	2,561,432
		FLOYD MUNICIPAL SCHOOLS	45,726
		FORT SUMNER MUNICIPAL SCHOOLS	90,274
		GADSDEN INDEPENDENT SCHOOL DISTRICT	7,798,332
		GADSDEN INDEPENDENT SCHOOLS	(99)
		GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT	7,422,780
		GILBERT L SENA HIGH SCHOOL	75,982
		GRADY MUNICIPAL SCHOOLS	17,968
		GRANTS/CIBOLA COUNTY SCHOOL	2,147,722
		GREAT ACADEMY, THE	16,230
		HAGERMAN MUNICIPAL SCHOOLS	141,276
		HATCH VALLEY PUBLIC SCHOOLS	990,872
		HEALTH LEADERSHIP HIGH SCHOOL	28,853
		HOBBS MUNICIPAL SCHOOLS	1,828,432
		HONDO VALLEY SCHOOLS	51,351
		HORIZON ACADEMY WEST	127,060
		INTERNATIONAL SCHOOL AT MESA DEL SOL	39,499
		J. PAUL TAYLOR ACADEMY	35,874
		JAL PUBLIC SCHOOLS	53,287
		JEMEZ MTN SCHOOL DIST NO 53	132,628
		JEMEZ VALLEY PUBLIC SCHOOLS	98,953
		LA ACADEMIA DOLORES HUERTA	56,115
		LA PROMESA EARLY LEARNING CENTER	165,623
		LA RESOLANA LEADERSHIP ACADEMY	42,365
		LA TIERRA MONTESSORI SCH OF ARTS & SCI	39,797
		LAKE ARTHUR MUNICIPAL SCHOOLS	20,026
		LAS CRUCES SCHOOL DISTRICT #2	7,209,892
		LAS MONTANAS CHARTER HIGH SCHOOL	59,278
		LAS VEGAS CITY SCHOOLS	836,914
		LOGAN MUNICIPAL SCHOOL	38,033
		LORDBURG MUNICIPAL SCHOOLS	207,275
		LOS ALAMOS PUBLIC SCHOOLS	47,454
		LOS LUNAS SCHOOLS	2,152,779
		LOVING MUNICIPAL SCHOOLS	70,423
		LOVINGTON MUNICIPAL SCHOOLS	472,840
		MAGDALENA MUNICIPAL SCHOOLS	383,643
		MAXWELL MUNICIPAL SCHOOL	18,937
		MCCURDY CHARTER SCHOOL	124,133
		MEDIA ARTS COLLABORATIVE CHARTER SCHOOL	92,982
		MELROSE MUNICIPAL SCHOOLS	51,202
		MESA VISTA CONSOLIDATED SCHOOL	70,426

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2017

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		MISSION ACHIEVEMENT & SUCCESS CHARTER SCHOOL	187,800
		MONTE DEL SOL CHARTER SCHOOL	69,354
		MONTESSORI ELEMENTARY SCHOOL	50,505
		MORA INDEPENDENT SCHOOLS	110,621
		MORIARTY MUNICIPAL SCHOOLS	575,320
		MOUNTAINAIR PUBLIC SCHOOLS	120,565
		NEW AMERICA SCHOOL, THE	40,009
		NEW MEXICO CONNECTIONS ACADEMY	284,728
		NEW MEXICO SCHOOL FOR THE ARTS	23,755
		NM SCHOOL FOR ARCHITECTURE	94,192
		NORTH VALLEY ACADEMY	152,469
		PECOS INDEPENDENT SCHOOLS	263,281
		PENASCO INDEPENDENT SCHOOL DISTRICT	159,465
		POJOAQUE VALLEY SCHOOLS	269,607
		PORTALES MUNICIPAL SCHOOLS	996,129
		QUEMADO INDEPENDENT SCHOOL	79,004
		QUESTA INDEPENDENT SCHOOLS	216,647
		RATON PUBLIC SCHOOLS	274,475
		RED RIVER VALLEY CHARTER SCHOOL	26,074
		RESERVE SCHOOL DISTRICT	127,616
		RIO RANCHO PUBLIC SCHOOLS	1,480,040
		ROOTS & WINGS COMMUNITY CHARTER SCHOOL	20,856
		ROSWELL INDEPENDENT SCHOOL DISTRICT	3,106,602
		ROY MUNICIPAL SCHOOLS	6,199
		RUIDOSO MUNICIPAL SCHOOLS	529,190
		SAGE MONTESSORI CHARTER SCHOOL	55,505
		SAN DIEGO RIVERSIDE CHARTER SCHOOL	(1,121)
		SAN JON MUNICIPAL SCHOOLS	45,181
		SANTA FE PUBLIC SCHOOLS	3,770,747
		SANTA ROSA CONSOLIDATED SCHOOLS	260,726
		SCHOOL OF DREAMS ACADEMY	61,309
		SILVER CONSOLIDATED SCHOOLS	825,889
		SOCORRO CONSOLIDATED SCHOOLS	979,586
		SOUTH VALLEY PREPARATORY SCHOOL	63,947
		SOUTHWEST AERONAUTICS, MATHEMATICS, & SCIENCE	31,778
		SOUTHWEST PRIMARY LEARNING CTN	14,793
		SOUTHWEST SECONDARY LEARNING	10,609
		SPRINGER MUNICIPAL SCHOOLS	77,762
		T OR C MUNICIPAL SCHOOLS	659,244
		TAOS ACADEMY	51,142
		TAOS ACADEMY CHARTER SCHOOL	(1,000)
		TAOS INTEGRATED SCHOOL OF THE ARTS	71,953
		TAOS INTERNATIONAL SCHOOL	13,300
		TAOS MUNICIPAL SCHOOLS	1,072,781
		TATUM MUNICIPAL SCHOOLS	45,086

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2017

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount	
		TECHNOLOGY LEADERSHIP HIGH SCHOOL	69,650	
		TEXICO MUNICIPAL SCHOOL	107,049	
		THE ASK ACADEMY	20,669	
		THE NEW AMERICA SCHOOL-LAS CRUCES	12,236	
		TIERRA ADENTRO OF NEW MEXICO	54,244	
		TIERRA ENCANTADA CHARTER SCHOOL	37,933	
		TUCUMCARI PUBLIC SCHOOLS	449,558	
		TULAROSA MUNICIPAL SCHOOLS	781,516	
		TURQUOISE TRAIL CHARTER SCHOOL	92,413	
		UPLIFT COMMUNITY SCHOOL	126,130	
		VAUGHN MUNICIPAL SCHOOLS	39,729	
		WAGON MOUND PUBLIC SCHOOLS	82,492	
		WALATOWA CHARTER HIGH SCHOOL	15,835	
		WEST LAS VEGAS SCHOOL DISTRICT	662,771	
		WILLIAM W & JOSEPH CHARTER COMMUNITY SCHOOL	53,023	
		ZUNI PUBLIC SCHOOL DIST	822,833	
		Total for CFDA 84.010		112,535,993
84.377A	School Achievement Fund 1003(g)			
		ALAMOGORDO PUBLIC SCHOOLS	113,195	
		ALBUQUERQUE PUBLIC SCHOOLS	1,588,828	
		ALBUQUERQUE SIGN LANGUAGE ACADEMY	268,968	
		FARMINGTON MUNICIPAL SCHOOLS	48,150	
		HATCH VALLEY PUBLIC SCHOOLS	17,910	
		PECOS INDEPENDENT SCHOOLS	75,940	
		RUIDOSO MUNICIPAL SCHOOLS	26,449	
		Total for CFDA 84.377A		2,139,440
84.011A	Migrant Education - State Grant Program			
		CARLSBAD MUNICIPAL SCHOOLS	6,316	
		CLOVIS MUNICIPAL SCHOOLS	87,151	
		CUBA INDEPENDENT SCHOOLS	11,460	
		DEMING PUBLIC SCHOOLS	215,346	
		DEXTER CONSOLIDATED SCHOOLS	36,562	
		GADSDEN INDEPENDENT SCHOOL DISTRICT	54,860	
		HAGERMAN MUNICIPAL SCHOOLS	63,255	
		LAS CRUCES SCHOOL DISTRICT #2	113,537	
		PORTALES MUNICIPAL SCHOOLS	103,073	
		ROSWELL INDEPENDENT SCHOOL DISTRICT	35,899	
		T OR C MUNICIPAL SCHOOLS	25,574	
		Total for CFDA 84.011A		753,034
84.013A	Title I Program for Neglected and Delinquent Children			
		CENTRAL REGION EDUCATIONAL COOPERATIVE	285,559	
		Total for CFDA 84.013A		285,559

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2017

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount	
84.287C	Twenty-first Century Community Learning Centers			
		APPLETREE EDUCATION CENTER	158,424	
		APPLETREE EDUCATIONAL CENTER	121,578	
		CENTRAL CONSOLIDATED SCHOOL	(154,897)	
		CENTRAL CONSOLIDATED SCHOOLS #22	528,272	
		CHAMA VALLEY INDEPENDENT	95,071	
		COMMUNITY FOR LEARNING	366,006	
		ESPANOLA PUBLIC SCHOOLS	860,777	
		FARMINGTON MUNICIPAL SCHOOLS	165,839	
		HATCH VALLEY PUBLIC SCHOOLS	161,329	
		HOBBS MUNICIPAL SCHOOLS	1,088,148	
		LAGUNA	(5,165)	
		NMSU MAIN	1,395,898	
		REGENTS OF NEW MEXICO STATE	1,039,685	
		RIO GRANDE EDUCATIONAL COLLABORATIVE	892,768	
		SANTA FE PUBLIC SCHOOLS	1,034,681	
		WORKING CLASSROOM	24,877	
		WORKING CLASSROOM INC	94,121	
		YOUNG MEN'S CHRISTIAN ASSOC OF CNTRL NM	134,086	
		Total for CFDA 84.287C		8,001,499
84.358B	Rural Education			
		DEMING PUBLIC SCHOOLS	111,248	
		DEXTER CONSOLIDATED SCHOOLS	5,590	
		DULCE INDEPENDENT SCHOOLS #21	13,887	
		ESPANOLA PUBLIC SCHOOLS	63,905	
		GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT	212,795	
		GRANTS/CIBOLA COUNTY SCHOOL	71,364	
		HATCH VALLEY PUBLIC SCHOOLS	28,353	
		LAS VEGAS CITY SCHOOLS	38,860	
		LORDSBURG MUNICIPAL SCHOOLS	6,373	
		PORTALES MUNICIPAL SCHOOLS	61,934	
		RATON PUBLIC SCHOOLS	13,428	
		RUIDOSO MUNICIPAL SCHOOLS	17,361	
		SANTA ROSA CONSOLIDATED SCHOOLS	15,655	
		SILVER CONSOLIDATED SCHOOLS	71,242	
		SOCORRO CONSOLIDATED SCHOOLS	22,778	
		T OR C MUNICIPAL SCHOOLS	20,942	
		TAOS MUNICIPAL SCHOOLS	57,885	
		TUCUMCARI PUBLIC SCHOOLS	27,040	
		TULAROSA MUNICIPAL SCHOOLS	26,885	
		WEST LAS VEGAS SCHOOL DISTRICT	37,136	
		ZUNI PUBLIC SCHOOL DIST	21,699	
		Total for CFDA 84.358B		946,363

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Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
84.365	Title III English Language Acquisition Grants		
		ALBUQUERQUE PUBLIC SCHOOLS	1,098,230
		APS	(40,798)
		ARTESIA PUBLIC SCHOOLS	21,320
		BELEN CONSOLIDATED SCHOOLS	18,559
		BERNALILLO MUNICIPAL SCHOOL	30,597
		BLOOMFIELD SCHOOLS	22,588
		CENTRAL CONSOLIDATED SCHOOLS #22	115,892
		CLOVIS MUNICIPAL SCHOOLS	81,301
		COBRE CONSOLIDATED SCHOOLS	410
		CUBA INDEPENDENT SCHOOLS	54,703
		DEMING PUBLIC SCHOOLS	102,210
		DEXTER CONSOLIDATED SCHOOLS	10,830
		ESPANOLA PUBLIC SCHOOLS	45,223
		FARMINGTON MUNICIPAL SCHOOLS	272,585
		GADSDEN INDEPENDENT SCHOOL DISTRICT	484,616
		GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT	337,196
		GRANTS/CIBOLA COUNTY SCHOOL	33,615
		HATCH VALLEY PUBLIC SCHOOLS	45,921
		HOBBS MUNICIPAL SCHOOLS	304,087
		LA PROMESA EARLY LEARNING CENTER	3,910
		LAS CRUCES SCHOOL DISTRICT #2	298,625
		LAS VEGAS CITY SCHOOLS	14,485
		LOS LUNAS SCHOOLS	58,007
		LOVINGTON MUNICIPAL SCHOOLS	1,753
		MONTE DEL SOL CHARTER SCHOOL	33,597
		NEW AMERICA SCHOOL, THE	9,311
		POJOAQUE VALLEY SCHOOLS	22,316
		PORTALES MUNICIPAL SCHOOLS	22,650
		PORTALES SCHOOLS	(240)
		RIO RANCHO PUBLIC SCHOOLS	72,118
		ROSWELL INDEPENDENT SCHOOL DISTRICT	226,690
		RUIDOSO MUNICIPAL SCHOOLS	26,053
		SANTA FE PUBLIC SCHOOLS	311,182
		TAOS MUNICIPAL SCHOOLS	12,430
		WEST LAS VEGAS SCHOOL DISTRICT	26,372
		ZUNI PUBLIC SCHOOL DIST	10,005
		Total for CFDA 84.365	4,188,346
84.367A	Title II Improving Teacher Quality State Grants		
		ACADEMY OF TRADES AND TECHNOLOGY	7,566
		ALAMOGORDO PUBLIC SCHOOLS	254,880
		ALBUQUERQUE PUBLIC SCHOOLS	4,327,220
		ALBUQUERQUE SCHOOL OF EXCELLENCE	6,480
		ALDO LEOPOLD CHARTER SCHOOL	2,211
		AMY BIEHL CHARTER SCHOOL	9,447

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Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		ANTHONY CHARTER SCHOOL	7,493
		ARTESIA PUBLIC SCHOOLS	108,912
		AZTEC MUNICIPAL SCHOOL DISTRICT	77,654
		BELEN CONSOLIDATED SCHOOLS	246,424
		BERNALILLO MUNICIPAL SCHOOL	164,030
		BLOOMFIELD SCHOOLS	123,835
		CAPITAN MUNICIPAL SCHOOLS	36,943
		CARLSBAD MUNICIPAL SCHOOLS	294,093
		CARRIZOZO MUNICIPAL SCHOOLS	10,825
		CENTRAL CONSOLIDATED SCHOOLS #22	467,908
		CESAR CHAVEZ COMMUNITY SCHOOL	12,475
		CHAMA VALLEY INDEPENDENT	13,399
		CIEN AGUAS INTERNATIONAL SCHOOL	24,204
		CIMARRON MUNICIPAL SCHOOLS	8,583
		CLAYTON MUNICIPAL SCHOOLS	16,288
		CLOUDCROFT MUNICIPAL SCHOOLS	680
		CLOVIS MUNICIPAL SCHOOLS	388,214
		COBRE CONSOLIDATED SCHOOLS	45,400
		CORAL COMMUNITY CHARTER	4,563
		CORONA PUBLIC SCHOOLS	2,992
		COTTONWOOD CLASSICAL PREPARATORY SCHOOL	626
		CUBA INDEPENDENT SCHOOLS	109,785
		DEMING PUBLIC SCHOOLS	237,759
		DES MOINES MUNICIPAL SCHOOLS	5,143
		DEXTER CONSOLIDATED SCHOOLS	34,544
		DORA CONSOLIDATED SCHOOL	4,281
		DULCE INDEPENDENT SCHOOLS #21	14,532
		ESPANOLA PUBLIC SCHOOLS	170,286
		ESTANCIA BOARD OF EDUCATION	3,707
		ESTANCIA VALLEY CLASSICAL ACADEMY	12,862
		EUNICE PUBLIC SCHOOLS	8,746
		FARMINGTON MUNICIPAL SCHOOLS	305,825
		FLOYD MUNICIPAL SCHOOLS	4,621
		FORT SUMNER MUNICIPAL SCHOOLS	14,893
		GADSDEN INDEPENDENT SCHOOL DISTRICT	812,792
		GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT	1,270,611
		GILBERT L SENA HIGH SCHOOL	6,521
		GRADY MUNICIPAL SCHOOLS	245
		GRANTS/CIBOLA COUNTY SCHOOL	336,826
		GREAT ACADEMY, THE	3,277
		HAGERMAN MUNICIPAL SCHOOLS	20,688
		HATCH VALLEY PUBLIC SCHOOLS	84,160
		HOBBS MUNICIPAL SCHOOLS	212,964
		HONDO VALLEY SCHOOLS	4,594
		HORIZON ACADEMY WEST	22,041
		HOUSE MUNICIPAL SCHOOL	204

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Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		INTERNATIONAL SCHOOL AT MESA DEL SOL,	3,395
		J. PAUL TAYLOR ACADEMY	3,819
		JAL PUBLIC SCHOOLS	10,952
		JEMEZ MTN SCHOOL DIST NO 53	26,157
		JEMEZ VALLEY PUBLIC SCHOOLS	40,532
		LA ACADEMIA DOLORES HUERTA	7,006
		LA PROMESA EARLY LEARNING CENTER	22,116
		LA TIERRA MONTESSORI SCH OF ARTS & SCI	758
		LAKE ARTHUR MUNICIPAL SCHOOLS	1,228
		LAS CRUCES SCHOOL DISTRICT #2	986,547
		LAS MONTANAS CHARTER HIGH SCHOOL	2,980
		LAS VEGAS CITY SCHOOLS	86,593
		LOGAN MUNICIPAL SCHOOL	7,319
		LORDBURG MUNICIPAL SCHOOLS	14,883
		LOS ALAMOS PUBLIC SCHOOLS	28,541
		LOS LUNAS SCHOOLS	404,009
		LOVING MUNICIPAL SCHOOLS	16,277
		LOVINGTON MUNICIPAL SCHOOLS	53,958
		MAGDALENA MUNICIPAL SCHOOLS	41,535
		MAXWELL MUNICIPAL SCHOOL	2,269
		MCCURDY CHARTER SCHOOL	31,372
		MEDIA ARTS COLLABORATIVE CHARTER SCHOOL	9,856
		MELROSE MUNICIPAL SCHOOLS	8,430
		MESA VISTA CONSOLIDATED SCHOOL	14,812
		MISSION ACHIEVEMENT & SUCCESS CHARTER SC	43,871
		MONTE DEL SOL CHARTER SCHOOL	5,189
		MORA INDEPENDENT SCHOOLS	6,160
		MORIARTY MUNICIPAL SCHOOLS	112,096
		MOUNTAINAIR PUBLIC SCHOOLS	18,050
		NEW AMERICA SCHOOL - LC	(223)
		NEW AMERICA SCHOOL, THE	10,991
		NEW MEXICO CONNECTIONS ACADEMY	27,954
		NEW MEXICO SCHOOL FOR THE ARTS	5,219
		NORTH VALLEY ACADEMY	21,855
		PECOS INDEPENDENT SCHOOLS	34,917
		PENASCO INDEPENDENT SCHOOL DISTRICT	22,378
		POJOAQUE VALLEY SCHOOLS	70,816
		PORTALES MUNICIPAL SCHOOLS	151,315
		QUEMADO	(81)
		QUEMADO INDEPENDENT SCHOOL	9,105
		QUESTA INDEPENDENT SCHOOLS	12,168
		RATON PUBLIC SCHOOLS	42,815
		RED RIVER VALLEY CHARTER SCHOOL	3,481
		RESERVE SCHOOL DISTRICT	10,213
		RIO RANCHO PUBLIC SCHOOLS	594,032
		ROSWELL INDEPENDENT SCHOOL DISTRICT	427,296

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Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		RUIDOSO MUNICIPAL SCHOOLS	70,500
		SAN JON MUNICIPAL SCHOOLS	2,667
		SANTA FE PUBLIC SCHOOLS	559,255
		SANTA ROSA CONSOLIDATED SCHOOLS	34,816
		SCHOOL OF DREAMS ACADEMY	10,768
		SILVER CONSOLIDATED SCHOOLS	137,000
		SOCORRO CONSOLIDATED SCHOOLS	135,893
		SOUTH VALLEY PREPORATORY SCHOOL	10,483
		SOUTHWEST AERONAUTICS, MATHEMATICS, & SOUTHWEST INTERMEDIATE LEARNING CENTER	4,926 249
		SOUTHWEST PRIMARY LEARNING CTN	249
		SOUTHWEST SECONDARY LEARNING	520
		SPRINGER MUNICIPAL SCHOOLS	18,853
		T OR C	(280)
		T OR C MUNICIPAL SCHOOLS	37,396
		TAOS ACADEMY	13,526
		TAOS INTEGRATED SCHOOL OF THE ARTS	5,440
		TAOS INTERNATIONAL SCHOOL	1,246
		TAOS MUNICIPAL SCHOOLS	192,289
		TATUM MUNICIPAL SCHOOLS	5,788
		TECHNOLOGY LEADERSHIP HIGH SCHOOL	8,456
		TEXICO MUNICIPAL SCHOOL	12,615
		THE ASK ACADEMY	5,760
		TIERRA ADENTRO OF NEW MEXICO	3,802
		TUCUMCARI PUBLIC SCHOOLS	43,086
		TULAROSA	(756)
		TULAROSA MUNICIPAL SCHOOLS	91,701
		TURQUOISE TRAIL	(37)
		TURQUOISE TRAIL CHARTER SCHOOL	11,290
		UPLIFT COMMUNITY SCHOOL	5,104
		VAUGHN MUNICIPAL SCHOOLS	5,700
		WAGON MOUND PUBLIC SCHOOLS	9,295
		WEST LAS VEGAS SCHOOL DISTRICT	89,924
		WILLIAM W & JOSEPH CHARTER COMMUNITY SCHOOL	2,738
		ZUNI PUBLIC SCHOOL DISTRICT	187,030
		Total for CFDA 84.367A	15,537,505
84.027A	Special Education - Grants to States		
		ACADEMY OF TRADES AND TECHNOLOGY	29,834
		ALAMOGORDO PUBLIC SCHOOLS	1,435,186
		ALBUQUERQUE PUBLIC SCHOOLS	16,139,875
		ALBUQUERQUE SCHOOL OF EXCELLENCE	39,333
		ALBUQUERQUE SIGN LANGUAGE ACADEMY	31,237
		ALDO LEOPOLD CHARTER SCHOOL	27,437
		ALMAD'ARTE CHARTER HIGH SCHOOL	35,778

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Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		AMY BIEHL CHARTER SCHOOL	70,921
		ANIMAS PUBLIC SCHOOLS	56,360
		ANTHONY CHARTER SCHOOL	16,036
		ARTESIA PUBLIC SCHOOLS	697,233
		AZTEC MUNICIPAL SCHOOL DISTRICT	811,420
		BELEN CONSOLIDATED SCHOOLS	1,107,572
		BERNALILLO MUNICIPAL SCHOOL	527,606
		BLOOMFIELD SCHOOLS	648,690
		CAPITAN MUNICIPAL SCHOOLS	144,291
		CARINOS DE LOS NINOS CHARTER SCHOOL	29,413
		CARLSBAD MUNICIPAL SCHOOLS	1,179,668
		CARRIZO MUNICIPAL SCHOOLS	35,314
		CENTRAL CONSOLIDATED SCHOOLS #22	1,591,579
		CENTRAL REGION EDUCATIONAL COOPERATIVE	133,913
		CESAR CHAVEZ COMMUNITY SCHOOL	23,726
		CHAMA VALLEY INDEPENDENT	79,080
		CIEN AGUAS INTERNATIONAL SCHOOL	55,760
		CIMARRON MUNICIPAL SCHOOLS	120,362
		CLAYTON MUNICIPAL SCHOOLS	158,350
		CLOUDCROFT MUNICIPAL SCHOOLS	67,660
		CLOVIS MUNICIPAL SCHOOLS	2,471,300
		COBRE CONSOLIDATED SCHOOLS	393,675
		CORAL COMMUNITY CHARTER	31,848
		CORONA PUBLIC SCHOOLS	8,879
		COTTONWOOD CLASSICAL PREPARATORY SCHOOL	104,359
		CUBA INDEPENDENT SCHOOLS	157,641
		DEMING PUBLIC SCHOOLS	1,033,248
		DES MOINES MUNICIPAL SCHOOLS	31,264
		DEXTER CONSOLIDATED SCHOOLS	287,679
		DORA CONSOLIDATED SCHOOL	51,355
		DULCE INDEPENDENT SCHOOLS #21	135,917
		ELIDA MUNICIPAL SCHOOLS	13,739
		ESPANOLA PUBLIC SCHOOLS	663,456
		ESTANCIA BOARD OF EDUCATION	158,751
		ESTANCIA VALLEY CLASSICAL ACADEMY	75,191
		EUNICE PUBLIC SCHOOLS	141,601
		EXPLORE ACADEMY	24,825
		FARMINGTON MUNICIPAL SCHOOLS	2,475,559
		FLOYD MUNICIPAL SCHOOLS	53,436
		FORT SUMNER MUNICIPAL SCHOOLS	77,405
		GADSDEN INDEPENDENT SCHOOL DISTRICT	3,364,190
		GADSDEN INDEPENDENT SCHOOLS	(4,663)
		GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT	1,867,001
		GRADY MUNICIPAL SCHOOLS	26,759
		GRANTS/CIBOLA COUNTY SCHOOL	955,894
		GREAT ACADEMY, THE	32,923

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Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		HAGERMAN MUNICIPAL SCHOOLS	131,363
		HATCH VALLEY PUBLIC SCHOOLS	303,581
		HEALTH LEADERSHIP HIGH SCHOOL	19,458
		HOBBS MUNICIPAL SCHOOLS	1,603,223
		HONDO VALLEY SCHOOLS	36,155
		HORIZON ACADEMY WEST	114,185
		HOUSE MUNICIPAL SCHOOL	19,660
		INTERNATIONAL SCHOOL AT MESA DEL SOL,	21,994
		J. PAUL TAYLOR ACADEMY	15,633
		JAL PUBLIC SCHOOLS	74,582
		JEMEZ MTN SCHOOL DIST NO 53	45,235
		JEMEZ VALLEY PUBLIC SCHOOLS	83,764
		LA ACADEMIA DOLORES HUERTA	25,125
		LA PROMESA EARLY LEARNING CENTER	70,311
		LA RESOLANA LEADERSHIP ACADEMY	20,347
		LA TIERRA MONTESSORI SCH OF ARTS & SCI	22,470
		LAKE ARTHUR MUNICIPAL SCHOOLS	36,239
		LAS CRUCES SCHOOL DISTRICT #2	5,745,746
		LAS MONTANAS CHARTER HIGH SCHOOL	26,953
		LAS VEGAS CITY SCHOOLS	359,635
		LOGAN MUNICIPAL SCHOOL	58,874
		LORDSBURG MUNICIPAL SCHOOLS	185,774
		LOS ALAMOS PUBLIC SCHOOLS	875,298
		LOS LUNAS PUBLIC SCHOOLS	(2)
		LOS LUNAS SCHOOLS	1,681,031
		LOVING MUNICIPAL SCHOOLS	135,620
		LOVINGTON MUNICIPAL SCHOOLS	707,046
		MAGDALENA MUNICIPAL SCHOOLS	92,328
		MASTERS PROGRAM, THE	12,371
		MAXWELL MUNICIPAL SCHOOL	38,100
		MCCURDY CHARTER SCHOOL	86,867
		MEDIA ARTS COLLABORATIVE CHARTER SCHOOL	43,916
		MELROSE MUNICIPAL SCHOOLS	61,921
		MESA VISTA CONSOLIDATED SCHOOL	107,335
		MISSION ACHIEVEMENT & SUCCESS CHARTER SC	69,346
		MONTE DEL SOL CHARTER SCHOOL	66,159
		MONTESSORI ELEMENTARY SCHOOL	51,008
		MORA INDEPENDENT SCHOOLS	107,500
		MORIARTY MUNICIPAL SCHOOLS	733,824
		MOSQUERO MUNICIPAL SCHOOLS	16,458
		MOUNTAINAIR PUBLIC SCHOOLS	73,370
		NEW AMERICA SCHOOL, THE	113,087
		NEW MEXICO CONNECTIONS ACADEMY	183,207
		NEW MEXICO SCHOOL FOR THE ARTS	28,310
		NEW MEXICO SCHOOL FOR THE DEAF	39,250
		NM SCHL FOR THE BLIND &VISUALLY IMPAIRED	29,938

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Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		NM SCHOOL FOR ARCHITECTURE	65,573
		NORTH VALLEY ACADEMY	87,818
		PECOS INDEPENDENT SCHOOLS	186,840
		PENASCO INDEPENDENT SCHOOL DISTRICT	129,358
		POJOAQUE VALLEY SCHOOLS	341,693
		PORTALES MUNICIPAL SCHOOLS	677,375
		QUEMADO INDEPENDENT SCHOOL	13,529
		QUESTA INDEPENDENT SCHOOLS	85,557
		RATON PUBLIC SCHOOLS	278,716
		RED RIVER VALLEY CHARTER SCHOOL	18,380
		RESERVE SCHOOL DISTRICT	44,304
		RIO RANCHO	(31,043)
		RIO RANCHO PUBLIC SCHOOLS	3,084,269
		ROOTS & WINGS COMMUNITY CHARTER SCHOOL	12,773
		ROSWELL INDEPENDENT SCHOOL DISTRICT	2,389,219
		ROY MUNICIPAL SCHOOLS	20,889
		RUIDOSO MUNICIPAL SCHOOLS	500,293
		SAGE MONTESSORI CHARTER SCHOOL	32,581
		SAN JON MUNICIPAL SCHOOLS	29,586
		SANDOVAL ACADEMY OF BILINGUAL EDUCATION	6,679
		SANTA FE PUBLIC SCHOOLS	2,306,207
		SANTA ROSA CONSOLIDATED SCHOOLS	155,400
		SCHOOL OF DREAMS ACADEMY	65,378
		SILVER CONSOLIDATED SCHOOLS	660,633
		SOCORRO CONSOLIDATED SCHOOLS	471,678
		SOUTH VALLEY PREPORATORY SCHOOL	30,800
		SOUTHWEST AERONAUTICS, MATHEMATICS, &	22,550
		SOUTHWEST INTERMEDIATE LEARNING CENTER	6,248
		SOUTHWEST PRIMARY LEARNING CTN	8,265
		SOUTHWEST SECONDARY LEARNING	28,230
		SPRINGER MUNICIPAL SCHOOLS	78,681
		T OR C MUNICIPAL SCHOOLS	355,763
		TAOS ACADEMY	40,766
		TAOS INTEGRATED SCHOOL OF THE ARTS	16,891
		TAOS INTERNATIONAL SCHOOL	21,043
		TAOS MUNICIPAL SCHOOLS	590,715
		TATUM MUNICIPAL SCHOOLS	67,038
		TECHNOLOGY LEADERSHIP HIGH SCHOOL	28,500
		TEXICO MUNICIPAL SCHOOL	122,894
		THE ASK ACADEMY	46,152
		THE NEW AMERICA SCHOOL-LAS CRUCES	39,073
		TIERRA ADENTRO OF NEW MEXICO	53,794
		TIERRA ENCANTADA CHARTER SCHOOL	70,099
		TUCUMCARI PUBLIC SCHOOLS	253,076
		TULAROSA MUNICIPAL SCHOOLS	255,437
		TURQUOISE TRAIL CHARTER SCHOOL	94,509

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Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount	
		UPLIFT COMMUNITY SCHOOL	27,161	
		VAUGHN MUNICIPAL SCHOOLS	25,929	
		WAGON MOUND PUBLIC SCHOOLS	35,557	
		WEST LAS VEGAS SCHOOL DISTRICT	398,451	
		WILLIAM W & JOSEPH CHARTER COMMUNITY SCH	6,670	
		ZUNI PUBLIC SCHOOL DIST	352,219	
		Total for CFDA 84.027A		69,010,651
84.048A	Carl Perkins - Voc. Educ. - Basic Grants to States/Adult Educ. - State Grant Program			
		ALBUQUERQUE PUBLIC SCHOOLS	1,272,997	
		BELEN CONSOLIDATED SCHOOLS	51,716	
		BERNALILLO MUNICIPAL SCHOOL	12,623	
		BLOOMFIELD SCHOOLS	38,693	
		CARLSBAD MUNICIPAL SCHOOLS	42,790	
		CENTRAL CONSOLIDATED	(129)	
		CENTRAL NEW MEXICO COMMUNITY COLLEGE	1,018,508	
		CLOVIS COMMUNITY COLLEGE	120,136	
		CLOVIS MUNICIPAL SCHOOLS	102,317	
		DEMING PUBLIC SCHOOLS	12,833	
		EASTERN NEW MEXICO UNIVERSITY-ROSWELL	143,321	
		ESPANOLA PUBLIC SCHOOLS	50,778	
		FARMINGTON MUNICIPAL SCHOOLS	124,866	
		GADSDEN INDEPENDENT SCHOOL DISTRICT	194,267	
		GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT	207,403	
		GRANTS/CIBOLA COUNTY SCHOOL	55,874	
		HOBBS MUNICIPAL SCHOOLS	78,235	
		LAS CRUCES SCHOOL DISTRICT #2	394,286	
		LOS LUNAS SCHOOLS	94,155	
		LUNA COMMUNITY COLLEGE	48,413	
		MEDIA ARTS COLLABORATIVE CHARTER SCHOOL	101,004	
		MORA INDEPENDENT SCHOOLS	47,171	
		NORTHEAST REGIONAL COOP	(65)	
		NORTHERN NEW MEXICO COLLEGE	42,478	
		REGENTS OF NEW MEXICO STATE	667,426	
		RIO RANCHO PUBLIC SCHOOLS	122,392	
		ROSWELL INDEPENDENT SCHOOL DISTRICT	218,332	
		SAN JUAN COLLEGE	317,155	
		SANTA FE COMMUNITY COLLEGE	227,624	
		SANTA FE PUBLIC SCHOOLS	144,581	
		SOCORRO CONSOLIDATED SCHOOLS	3,802	
		T OR C MUNICIPAL SCHOOLS	9,869	
		TAOS MUNICIPAL SCHOOLS	107,859	
		THE UNIVERSITY OF NEW MEXICO	268,036	
		WESTERN NEW MEXICO UNIVERSITY	127,341	
		ZUNI PUBLIC SCHOOL DISTRICT	38,595	
		Total for CFDA 84.048A		6,507,682

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2017

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount	
84.196A	Education for Homeless Children and Youth			
		ALAMOGORDO PUBLIC SCHOOLS	11,643	
		ALBUQUERQUE PUBLIC SCHOOLS	56,785	
		BELEN CONSOLIDATED SCHOOLS	13,001	
		DEMING PUBLIC SCHOOLS	36,843	
		FARMINGTON MUNICIPAL SCHOOLS	16,003	
		GADSDEN INDEPENDENT SCHOOL DISTRICT	18,671	
		GADSDEN INDEPENDENT SCHOOLS	(78)	
		GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT	23,109	
		LAS CRUCES SCHOOL DISTRICT #2	34,987	
		LOS LUNAS PUBLIC SCHOOLS	(2,727)	
		LOS LUNAS SCHOOLS	29,373	
		MORIARTY MUNICIPAL SCHOOLS	11,646	
		RIO RANCHO PUBLIC SCHOOLS	36,827	
		SANTA FE PUBLIC SCHOOLS	60,630	
		SOCORRO CONSOLIDATED SCHOOLS	2,587	
		T OR C MUNICIPAL SCHOOLS	5,982	
		Total for CFDA 84.196A		355,282
84.173A	Special Education - Preschool			
		ALAMOGORDO PUBLIC SCHOOLS	72,766	
		ALBUQUERQUE PUBLIC SCHOOLS	416,006	
		ANIMAS PUBLIC SCHOOLS	3,264	
		ARTESIA PUBLIC SCHOOLS	46,299	
		AZTEC MUNICIPAL SCHOOL DISTRICT	12,136	
		BELEN CONSOLIDATED SCHOOLS	6,683	
		BERNALILLO MUNICIPAL SCHOOL	28,594	
		BLOOMFIELD SCHOOLS	75,037	
		CAPITAN MUNICIPAL SCHOOLS	3,430	
		CARLSBAD MUNICIPAL SCHOOLS	46,104	
		CARRIZO MUNICIPAL SCHOOLS	2,046	
		CENTRAL CONSOLIDATED SCHOOLS #22	37,205	
		CHAMA VALLEY INDEPENDENT	2,760	
		CIMARRON MUNICIPAL SCHOOLS	12,885	
		CLAYTON MUNICIPAL SCHOOLS	8,445	
		CLOVIS MUNICIPAL SCHOOLS	73,657	
		COBRE CONSOLIDATED SCHOOLS	10,144	
		CORAL COMMUNITY CHARTER	956	
		CUBA INDEPENDENT SCHOOLS	2,329	
		DEMING PUBLIC SCHOOLS	6,870	
		DES MOINES MUNICIPAL SCHOOLS	926	
		DEXTER CONSOLIDATED SCHOOLS	15,714	
		DORA CONSOLIDATED SCHOOL	6,781	
		DULCE INDEPENDENT SCHOOLS #21	5,697	
		ELIDA MUNICIPAL SCHOOLS	91	
		ESPANOLA PUBLIC SCHOOLS	22,092	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2017

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		ESTANCIA BOARD OF EDUCATION	11,159
		EUNICE PUBLIC SCHOOLS	1,748
		FARMINGTON MUNICIPAL SCHOOLS	36,053
		FLOYD MUNICIPAL SCHOOLS	14,841
		FORT SUMNER MUNICIPAL SCHOOLS	5,122
		GADSDEN INDEPENDENT SCHOOL DISTRICT	72,415
		GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT	104,052
		GRADY MUNICIPAL SCHOOLS	776
		GRANTS/CIBOLA COUNTY SCHOOL	32,579
		HAGERMAN MUNICIPAL SCHOOLS	6,192
		HATCH VALLEY PUBLIC SCHOOLS	13,173
		HOBBS MUNICIPAL SCHOOLS	7,282
		HONDO VALLEY SCHOOLS	3,203
		HORIZON ACADEMY WEST	2,576
		HOUSE MUNICIPAL SCHOOL	4,089
		JAL PUBLIC SCHOOLS	9,938
		JEMEZ VALLEY PUBLIC SCHOOLS	1,364
		LAKE ARTHUR MUNICIPAL SCHOOLS	2,899
		LAS CRUCES SCHOOL DISTRICT #2	81,600
		LAS VEGAS CITY SCHOOLS	11,155
		LOGAN MUNICIPAL SCHOOL	5,698
		LORDSBURG MUNICIPAL SCHOOLS	15,979
		LOS ALAMOS PUBLIC SCHOOLS	20,116
		LOS LUNAS SCHOOLS	35,436
		LOVING MUNICIPAL SCHOOLS	6,992
		LOVINGTON MUNICIPAL SCHOOLS	29,542
		MAGDALENA MUNICIPAL SCHOOLS	16,602
		MAXWELL MUNICIPAL SCHOOL	1,266
		MELROSE MUNICIPAL SCHOOLS	5,026
		MESA VISTA CONSOLIDATED SCHOOL	3,986
		MORA INDEPENDENT SCHOOLS	2,497
		MORIARTY MUNICIPAL SCHOOLS	41,082
		MOSQUERO MUNICIPAL SCHOOLS	962
		MOUNTAINAIR PUBLIC SCHOOLS	7,074
		PECOS INDEPENDENT SCHOOLS	5,614
		PENASCO INDEPENDENT SCHOOL DISTRICT	3,189
		POJOAQUE VALLEY SCHOOLS	2,798
		PORTALES MUNICIPAL SCHOOLS	39,527
		QUESTA INDEPENDENT SCHOOLS	1,503
		RATON PUBLIC SCHOOLS	23,404
		RESERVE SCHOOL DISTRICT	4,560
		RIO RANCHO PUBLIC SCHOOLS	29,606
		ROSWELL INDEPENDENT SCHOOL DISTRICT	82,404
		RUIDOSO MUNICIPAL SCHOOLS	24,507
		SAN JON MUNICIPAL SCHOOLS	4,152
		SANTA FE PUBLIC SCHOOLS	46,058

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2017

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Program Number Name	Subrecipient Name	Amount
	SANTA ROSA CONSOLIDATED SCHOOLS	8,258
	SILVER CONSOLIDATED SCHOOLS	21,366
	SOCORRO CONSOLIDATED SCHOOLS	7,638
	SPRINGER MUNICIPAL SCHOOLS	3,902
	T OR C MUNICIPAL SCHOOLS	11,417
	TAOS MUNICIPAL SCHOOLS	14,047
	TATUM MUNICIPAL SCHOOLS	19,401
	TEXICO MUNICIPAL SCHOOL	6,923
	TUCUMCARI PUBLIC SCHOOLS	19,440
	TULAROSA MUNICIPAL SCHOOLS	9,801
	TURQUOISE TRAIL CHARTER SCHOOL	395
	VAUGHN MUNICIPAL SCHOOLS	1,231
	WAGON MOUND PUBLIC SCHOOLS	510
	WEST LAS VEGAS SCHOOL DISTRICT	10,189
	ZUNI PUBLIC SCHOOL DIST	3,627
	Total for CFDA 84.173A	<u>1,938,855</u>
TOTAL U.S. DEPARTMENT OF EDUCATION		<u><u>222,200,209</u></u>

DEPARTMENT OF AGRICULTURE

10.553/ USDA		
10.555	ACADEMY OF TRADES AND TECHNOLOGY	28,725
	ALAMO NAVAJO SCHOOL BOARD INC	328,834
	ALAMO NAVAJO SCHOOL BOARD, INC.	(47,376)
	ALAMOGORDO PUBLIC SCHOOLS	1,823,638
	ALBUQUERQUE PUBLIC SCHOOLS	29,844,837
	ALBUQUERQUE SCHOOL OF EXCELLENCE	82,386
	ALBUQUERQUE SIGN LANGUAGE ACADEMY	42,479
	ALICE KING COMMUNITY SCHOOL	32,987
	ALMAD'ARTE CHARTER HIGH SCHOOL	62,001
	AMIKIDS INC	28,391
	AMY BIEHL CHARTER SCHOOL	22,625
	ANANSI CHARTER SCHOOL	27,173
	ANIMAS PUBLIC SCHOOLS	64,718
	ANTHONY CHARTER SCHOOL	46,046
	ARTESIA PUBLIC SCHOOLS	1,258,092
	AZTEC MUNICIPAL SCHOOL DISTRICT	998,999
	BELEN CONSOLIDATED SCHOOLS	2,261,750
	BERNALILLO COUNTY	102,538
	BERNALILLO MUNICIPAL SCHOOL	2,207,364
	BLOOMFIELD SCHOOLS	1,245,965
	BORREGO PASS SCHOOL	115,701
	CALVARY CHRISTIAN ACADEMY	7,452
	CAPITAN MUNICIPAL SCHOOLS	208,549
	CARINOS DE LOS NINOS CHARTER SCHOOL	68,097

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2017

Note 5 - Subrecipients of Grant Awards

DEPARTMENT OF AGRICULTURE

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		CARLSBAD MUNICIPAL SCHOOLS	2,915,523
		CARRIZOZO MUNICIPAL SCHOOLS	71,901
		CENTRAL CONSOLIDATED SCHOOLS #22	3,338,054
		CESAR CHAVEZ COMMUNITY SCHOOL	54,111
		CHAMA VALLEY INDEPENDENT	233,172
		CHAVES COUNTY	23,439
		CHILDHAVEN INC	21,980
		CHRISTINE DUNCAN HERITAGE ACADEMY	171,231
		CHUSKA BOARD OF EDUCATION	(35,796)
		CHUSKA SCHOOL BOARD OF EDUCATION INC	255,860
		CIEN AGUAS INTERNATIONAL SCHOOL	55,237
		CIMARRON MUNICIPAL SCHOOLS	212,983
		CLAYTON MUNICIPAL SCHOOLS	181,482
		CLOUDCROFT MUNICIPAL SCHOOLS	71,997
		CLOVIS MUNICIPAL SCHOOLS	3,890,076
		COBRE CONSOLIDATED SCHOOL DISTRICT	8,324
		COBRE CONSOLIDATED SCHOOLS	805,107
		CORAL COMMUNITY CHARTER	41,799
		CORONA PUBLIC SCHOOLS	29,260
		CRYSTAL BOARDING	97,079
		CUBA INDEPENDENT SCHOOLS	364,018
		CURRY COUNTY	21,123
		CYFD	368,311
		DEMING PUBLIC SCHOOLS	4,497,511
		DES MOINES MUNICIPAL SCHOOLS	28,890
		DEXTER CONSOLIDATED SCHOOLS	664,283
		DOI BUREAU OF INDIAN EDUCATION	2,885,842
		DONA ANA COUNTY	39,855
		DORA CONSOLIDATED SCHOOL	66,083
		DREAM DINE' CHARTER SCHOOL	15,549
		DULCE INDEPENDENT SCHOOLS #21	426,493
		DZIL DIT L'OOI SCHOOL OF EMPOWERMENT	11,226
		DZILTH-NA-O-DITH-HLE COMMUNITY	143,043
		EL CAMINO REAL ACADEMY	244,984
		ELIDA MUNICIPAL SCHOOL	(3,449)
		ELIDA MUNICIPAL SCHOOLS	53,072
		ESPANOLA PUBLIC SCHOOLS	1,925,242
		ESTANCIA BOARD OF EDUCATION	253,119
		EUNICE PUBLIC SCHOOLS	277,785
		FARMINGTON MUNICIPAL SCHOOLS	3,097,962
		FLOYD MUNICIPAL SCHOOLS	91,490
		FORT SUMNER MUNICIPAL SCHOOLS	137,549
		GADSDEN INDEPENDENT SCHOOL DISTRICT	9,331,887
		GALLUP CATHOLIC	13,606
		GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT	6,507,304

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2017

Note 5 - Subrecipients of Grant Awards

DEPARTMENT OF AGRICULTURE

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		GILBERT L SENA HIGH SCHOOL	19,586
		GRADY MUNICIPAL SCHOOLS	49,863
		GRANTS/CIBOLA COUNTY SCHOOL	2,398,183
		GUADALUPE MONTESSORI SCHOOL	19,276
		HAGERMAN MUNICIPAL SCHOOLS	258,145
		HATCH VALLEY PUBLIC SCHOOLS	992,323
		HEALTH LEADERSHIP HIGH SCHOOL	50,696
		HOBBS MUNICIPAL SCHOOLS	3,052,978
		HOLY CROSS SCHOOL SC	12,601
		HOLY GHOST SCHOOL	12,980
		HONDO VALLEY SCHOOLS	75,814
		HORIZON ACADEMY WEST	250,147
		HOUSE MUNICIPAL SCHOOL	9,979
		IMMANUEL LUTHERAN PRESCHOOL	15,053
		INTERNATIONAL SCHOOL AT MESA DEL SOL,	58,115
		J. PAUL TAYLOR ACADEMY	35,037
		JAL PUBLIC SCHOOLS	101,914
		JEFFERSON MONTESSORI ACADEMY	54,495
		JEMEZ MTN SCHOOL DIST NO 53	134,577
		JEMEZ VALLEY PUBLIC SCHOOLS	193,198
		KAWAIKA LAGUNA SCHOOLS	2,032
		LA ACADEMIA DE ESPERANZA	217,669
		LA ACADEMIA DOLORES HUERTA	82,749
		LA PROMESA EARLY LEARNING CENTER	358,057
		LA RESOLANA LEADERSHIP ACADEMY	48,832
		LAKE ARTHUR MUNICIPAL SCHOOLS	63,362
		LAS CRUCES CATHOLIC SCHOOL INC	22,396
		LAS CRUCES SCHOOL DISTRICT #2	11,080,080
		LAS MONTANAS CHARTER HIGH SCHOOL	38,970
		LAS VEGAS CITY SCHOOLS	635,878
		LINDRITH AREA HERITAGE SCHOOL	5,356
		LOGAN MUNICIPAL SCHOOL	92,833
		LORDBURG MUNICIPAL SCHOOLS	359,208
		LOS ALAMOS PUBLIC SCHOOLS	80,077
		LOS LUNAS SCHOOLS	3,645,530
		LOVING MUNICIPAL SCHOOLS	295,316
		LOVINGTON MUNICIPAL SCHOOLS	1,284,020
		MAGDALENA MUNICIPAL SCHOOLS	194,792
		MAXWELL MUNICIPAL SCHOOL	42,955
		MCCURDY CHARTER SCHOOL	147,677
		MEDIA ARTS COLLABORATIVE CHARTER SCHOOL	38,280
		MELROSE MUNICIPAL SCHOOLS	61,072
		MESA VISTA CONSOLIDATED SCHOOL	114,076
		MESCALERO APACHE SCHOOL	337,900
		MISSION ACHIEVEMENT & SUCCESS CHARTER SC	557,323
		MONTE DEL SOL CHARTER SCHOOL	27,362

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
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Note 5 - Subrecipients of Grant Awards

DEPARTMENT OF AGRICULTURE

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		MORA INDEPENDENT SCHOOLS	348,391
		MORIARTY MUNICIPAL SCHOOLS	836,509
		MOSQUERO MUNICIPAL SCHOOLS	8,790
		MOUNTAINAIR PUBLIC SCHOOLS	126,844
		NA NEELZHIIN JI OLTA INC	133,351
		NATIVE AMERICAN COMMUNITY ACADEMY	254,729
		NAVAJO PREPARATORY SCHOOL INC	113,375
		NEW AMERICA SCHOOL, THE	64,003
		NEW MEXICO SCHOOL FOR THE ARTS	6,341
		NEW MEXICO SCHOOL FOR THE DEAF	62,899
		NM SCHOOL FOR ARCHITECTURE	63,018
		NMMA	178,163
		NORTH VALLEY ACADEMY	138,090
		NUESTROS VALORE CHARTER SCHOOL	79,631
		OHKAY OWINGEH COMMUNITY SCHOOL	62,997
		OUR LADY OF ASSUMPTION	11,828
		PECOS INDEPENDENT SCHOOLS	372,285
		PENASCO INDEPENDENT SCHOOL DISTRICT	220,215
		POJOAQUE VALLEY SCHOOLS	837,910
		PORTALES MUNICIPAL SCHOOLS	1,193,984
		PUBLIC ACADEMY FOR PERFORMING ARTS	65,001
		PUEBLO OF LAGUNA DEPARTMENT OF EDUCATION	232,691
		PUEBLO OF SANTA CLARA KHAPO COMM SCHOOL	75,375
		QUEMADO INDEPENDENT SCHOOL	72,329
		QUESTA INDEPENDENT SCHOOLS	234,623
		RAMAH NAVAJO SCHOOL BOARD INC	118,501
		RATON PUBLIC SCHOOLS	499,336
		RED RIVER VALLEY CHARTER SCHOOL	38,350
		REHOBOTH CHRISTIAN SCHOOL	95,838
		RESERVE SCHOOL DISTRICT	59,288
		RIO RANCHO PUBLIC SCHOOLS	3,537,042
		ROSWELL INDEPENDENT SCHOOL DISTRICT	6,427,477
		ROY MUNICIPAL SCHOOLS	17,086
		RUIDOSO MUNICIPAL SCHOOLS	1,062,680
		SAN DIEGO RIVERSIDE SCHOOL	71,920
		SAN FELIPE DE NERI SCHOOL	20,885
		SAN JON MUNICIPAL SCHOOLS	46,283
		SAN JUAN COUNTY	72,906
		SANTA FE COUNTY	25,765
		SANTA FE INDIAN SCHOOL INC	439,628
		SANTA FE PUBLIC SCHOOLS	5,020,636
		SANTA ROSA CONSOLIDATED SCHOOLS	398,044
		SANTO NINO REGIONAL CATHOLIC SCHOOL	49,063
		SCHOOL OF DREAMS ACADEMY	76,656
		SEQUOYAH ADOLESCENT CENTER	61,472

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2017

Note 5 - Subrecipients of Grant Awards

DEPARTMENT OF AGRICULTURE

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		SHIPROCK ALTERNATIVE SCHOOLS INC	227,517
		SILVER CONSOLIDATED SCHOOLS	1,065,155
		SOCORRO CONSOLIDATED SCHOOLS	933,808
		SOUTH VALLEY ACADEMY	230,005
		SOUTH VALLEY PREPORATORY SCHOOL	64,643
		SPRINGER MUNICIPAL SCHOOLS	67,895
		ST ANTHONY INDIAN SCHOOL INC	75,707
		ST BONAVENTURE INDIAN MISSION AND SCHOOL	119,275
		ST CHARLES BORRROMEO SCHOOL	9,048
		ST FRANCIS OF ASSISI SCHOOL	32,129
		ST FRANCIS SCHOOL	27,934
		ST JOSEPH MISSION SCHOOL	32,020
		ST MARY SCHOOL	38,102
		ST MARY SCHOOL LUNCH PROGRAM	32,216
		ST THERESE CATHOLIC SCHOOL	18,565
		ST. FRANCIS OF ASSISI	4,213
		ST. TERESA OF AVILA SCHOOL, INC.	33,106
		ST. THOMAS AQUINAS SCHOOL	25,391
		T OR C MUNICIPAL SCHOOLS	928,485
		TAOS CHARTER SCHOOL	41,784
		TAOS DAY SCHOOL	2,452
		TAOS INTERNATIONAL SCHOOL	121,523
		TAOS MUNICIPAL SCHOOLS	1,301,684
		TATUM MUNICIPAL SCHOOLS	88,365
		TECHNOLOGY LEADERSHIP HIGH SCHOOL	36,038
		TEXICO MUNICIPAL SCHOOL	124,040
		THE NEW AMERICA SCHOOL-LAS CRUCES	59,714
		TIERRA ADENTRO OF NEW MEXICO	62,133
		TOHAALI COMMUNITY SCHOOLS	3,927
		TOHAJILEE COMMUNITY SCHOOL BOARD OF	247,448
		TUCUMCARI PUBLIC SCHOOLS	612,918
		TULAROSA MUNICIPAL SCHOOLS	475,055
		TURQUOISE TRAIL CHARTER SCHOOL	156,267
		UNM HOSPITAL	42,541
		UPLIFT COMMUNITY SCHOOL	74,799
		VAUGHN MUNICIPAL SCHOOLS	42,578
		VISTA GRANDE HIGH SCHOOL	41,207
		WAGON MOUND PUBLIC SCHOOLS	44,240
		WALATOWA CHARTER HIGH SCHOOL	32,811
		WEST LAS VEGAS PUBLIC SCHOOLS	1,066
		WEST LAS VEGAS SCHOOL DISTRICT	1,163,687
		WILLIAM W & JOSEPH CHARTER COMMUNITY SCHOOL	32,929
		WINGATE HIGH SCHOOL	5,585
		YOUTH DEVELOPMENT INC	17,970
		ZUNI PUBLIC SCHOOL DISTRICT	881,100
		Total for CFDA 10.553/10.555	146,007,633

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2017

Note 5 - Subrecipients of Grant Awards

DEPARTMENT OF AGRICULTURE

Federal CFDA Number	Program Name	Subrecipient Name	Amount
10.582	Fresh Fruit and Vegetable Program		
		ALAMOGORDO PUBLIC SCHOOLS	43,199
		BELEN CONSOLIDATED SCHOOLS	87,348
		BERNALILLO MUNICIPAL SCHOOL	71,715
		BLOOMFIELD SCHOOLS	51,577
		CHRISTINE DUNCAN HERITAGE ACADEMY	10,628
		CIMARRON MUNICIPAL SCHOOLS	7,438
		CLAYTON MUNICIPAL SCHOOLS	6,532
		DEMING PUBLIC SCHOOLS	137,099
		DULCE INDEPENDENT SCHOOLS #21	14,682
		EL CAMINO REAL ACADEMY	15,090
		FARMINGTON MUNICIPAL SCHOOLS	120,686
		GADSDEN INDEPENDENT SCHOOL DISTRICT	363,163
		GALLUP-MCKINLEY COUNTY SCHOOL DISTRICT	208,454
		GRADY MUNICIPAL SCHOOLS	3,445
		GRANTS/CIBOLA COUNTY SCHOOL	96,820
		HONDO VALLEY SCHOOLS	2,515
		JEMEZ MTN SCHOOL DIST NO 53	4,722
		LA PROMESA EARLY LEARNING CENTER	8,134
		LAKE ARTHUR MUNICIPAL SCHOOLS	3,119
		LAS CRUCES SCHOOL DISTRICT #2	364,204
		LAS VEGAS CITY SCHOOLS	38,846
		LOGAN MUNICIPAL SCHOOL	6,022
		MAGDALENA MUNICIPAL SCHOOLS	9,079
		MESA VISTA CONSOLIDATED SCHOOL	399
		MORA INDEPENDENT SCHOOLS	9,960
		MORIARTY MUNICIPAL SCHOOLS	40,984
		MOUNTAINAIR PUBLIC SCHOOLS	5,922
		PENASCO INDEPENDENT SCHOOL DISTRICT	8,603
		PUEBLO OF LAGUNA DEPARTMENT OF EDUCATION	7,076
		QUEMADO INDEPENDENT SCHOOL	2,988
		QUESTA INDEPENDENT SCHOOLS	6,325
		RATON PUBLIC SCHOOLS	21,176
		RED RIVER VALLEY CHARTER SCHOOL	448
		SANTA ROSA CONSOLIDATED SCHOOLS	13,330
		SILVER CONSOLIDATED SCHOOLS	56,569
		SOCORRO CONSOLIDATED SCHOOLS	25,495
		SPRINGER MUNICIPAL SCHOOLS	3,756
		ST ANTHONY INDIAN SCHOOL INC	6,411
		ST BONAVENTURE INDIAN MISSION AND SCHOOL	7,522
		T OR C MUNICIPAL SCHOOLS	35,000
		TAOS MUNICIPAL SCHOOLS	50,379
		WAGON MOUND PUBLIC SCHOOLS	1,646
		WEST LAS VEGAS SCHOOL DISTRICT	39,517
		ZUNI PUBLIC SCHOOL DISTRICT	26,844
		Total CFDA 10.582	2,044,867

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
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Note 5 - Subrecipients of Grant Awards

DEPARTMENT OF AGRICULTURE

Federal CFDA Number	Program Name	Subrecipient Name	Amount
10.579	National School Lunch Program - Equipment		
		AZTEC MUNICIPAL SCHOOL DISTRICT	8,554
		CYFD	20,377
		DZIL DIT L'OOI SCHOOL OF EMPOWERMENT,	6,820
		GUADALUPE MONTESSORI SCHOOL	21,869
		HAGERMAN MUNICIPAL SCHOOLS	18,915
		JEMEZ VALLEY PUBLIC SCHOOLS	11,382
		LOGAN MUNICIPAL SCHOOL	7,828
		LOVING MUNICIPAL SCHOOLS	6,350
		MESA VISTA CONSOLIDATED SCHOOL	22,156
		MOUNTAINAIR PUBLIC SCHOOLS	15,652
		PUBLIC ACADEMY FOR PERFORMING ARTS	46,061
		ROY MUNICIPAL SCHOOLS	5,040
		TAOS CHARTER SCHOOL	5,425
		THE NEW AMERICA SCHOOL-LAS CRUCES	11,571
		Total for CFDA 10.579	208,000
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 148,260,500</u>
TOTAL SUBRECIPIENT FUNDS PASSED THROUGH			<u>\$ 370,460,709</u>

COMPLIANCE

INDEPENDENT AUDITOR'S 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

To Christopher Ruskowski, Secretary of Education
New Mexico Public Education Department
and Mr. Wayne A. Johnson
New Mexico State Auditor

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 discretely presented component unit (New Mexico state chartered charter schools), the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, fiduciary and agency funds, and the budgetary comparisons for the general and major special revenue funds of the New Mexico Public Education Department ("Department"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have used our report thereon dated November 22, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department'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 Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

Entity	Material Weakness Reference
Aldo Leopold Charter	2017-001
Cariños De Los Ninos	2015-002, 2016-004
J. Paul Taylor Academy	2017-001
La Promesa Early Learning Center	2016-001
Monte Del Sol Charter Foundation	2017-001
Red River Valley Charter	2017-003
Roots and Wings Community School	2017-002
School of Dreams Academy	2017-001
Six Directions Indigenous School	2017-001

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies, described in the accompany schedule of findings and questioned costs, to be significant deficiencies.

Entity	Significant Deficiency Reference
Albuquerque School of Excellence	2017-002
The ASK Academy	2016-001
Cariños De Los Ninos	2014-003, 2016-001, 2017-005
Cien Aguas International School	2014-001, 2017-001
Dream Dine	2017-003
Dzil Ditl'ooi School of Empowerment, Action and Perseverance	2016-001
Estancia Valley Classical Academy	2015-002, 2017-001
Great Academy	2017-002
Health Leadership High School	2017-001
La Promesa Early Learning Center	2014-001, 2015-001
McCurdy Charter School	2017-003
Monte Del Sol Charter School	2016-002
New America Charter School	2017-002
New Mexico Connections Academy	2017-001
Red River Valley Charter School	2017-004
Roots and Wings Community School	2015-003, 2017-003
Sage Montessori Charter School	2017-003
South Valley Preparatory School	2017-002
Southwest Aeronautics, Mathematics, and Science Academy	2016-003, 2016-005
Southwest Intermediate Learning Center	2016-003
Southwest Primary Learning Center	2016-004
Southwest Secondary Learning Center	2016-003, 2016-005
Taos Academy Foundation	2017-001
Tierra Adentro	2015-001
Uplift Community School	2015-003

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department’s financial statements are free from 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 questioned costs as items:

Entity	Compliance and Other Matters Reference
Public Education	2013-003
Department of Vocational Rehabilitation	2016-006, 2016-009
ACE Leadership High School	2016-002, 2017-001
Albuquerque Institute for Mathematics & Science	2017-001
Albuquerque School of Excellence	2017-001
Albuquerque Sign Language Academy	2017-001, 2017-002, 2017-003, 2017-004
Alma D’Arte Charter High School	2017-001
Amy Biehl Charter High School	2017-001
The ASK Academy	2017-001
Cariños De Los Ninos Charter School	2017-001, 2017-002, 2017-003, 2017-004
Cesar Chavez Community School	2017-001
Cien Aguas International School	2014-001, 2015-002, 2017-001, 2017-002
Coral Community Charter	2017-001, 2017-002
Cottonwood Classical Preparatory School	2015-001, 2017-001
Dream Diné Charter School	2016-003, 2017-001, 2017-002
Dzil Ditl’ooi School of Empowerment, Action and Perseverance	2016-001, 2016-002, 2016-004, 2017-001, 2017-002, 2017-003, 2017-004
Estancia Valley Classical Academy	2015-002, 2017-001
Explore Academy	2016-001
GREAT Academy	2017-001
Health Leadership High School	2015-001, 2015-005, 2017-002
Horizon Academy West	2017-001
La Academia Dolores Huerta	2017-001
La Promesa Early Learning Center	2015-002, 2016-003, 2016-004, 2016-005, 2017-001, 2017-002, 2017-003
La Resolana Leadership Academy	2017-001
La Tierra Montessori School for the Arts and Science	2016-002, 2017-001
MASTERS Program	2014-002, 2014-003, 2017-001
McCurdy Charter School	2014-003, 2017-001, 2017-002
Media Arts Collaborative Charter School	2017-001
Monte Del Sol Charter School	2016-001, 2016-004
New America School	2017-001, 2017-003, 2017-004
New Mexico School of Arts	2017-001
Red River Valley Charter School	2015-001, 2016-001, 2017-001, 2017-002, 2017-005
Roots & Wings Community School	2014-001, 2017-001, 2017-003, 2017-004

Entity	Compliance and Other Matters Reference
Sage Montessori	2014-002, 2017-001, 2017-002, 2017-004, 2017-005, 2017-006
Sandoval Academy for Bilingual Education	2016-001, 2017-001, 2017-002
School of Dreams Academy	2015-001, 2015-002, 2017-002, 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, 2017-008
School of Dreams Academy Foundation	2017-001
Six Directions Indigenous School	2017-002, 2017-003, 2017-004, 2017-005
South Valley Preparatory School	2017-001
Southwest Aeronautics, Mathematics, and Science Academy	2017-001
Southwest Intermediate Learning Center	2017-001, 2017-002
Southwest Primary Learning Center	2017-001
Taos Academy	2017-001, 2017-002
Taos Integrated School of the Arts	2016-001, 2017-001, 2017-002
Taos International School Charter School	2016-001, 2017-001, 2017-002, 2017-003, 2017-004, 2017-005
Technology Leadership High School	2016-001, 2017-001
Tierra Adentro	2016-001, 2017-001, 2017-002, 2017-003, 2017-004
Tierra Encantada Charter School	2017-001
Turquoise Trail Charter School	2016-001, 2016-007, 2017-001
Uplift Community School	2017-001, 2017-002
Walatowa High Charter School	2014-002, 2016-002, 2017-001, 2017-002
William W. & Josephine Dorn Charter School	2016-003, 2017-001

Department's Response to Findings

The Department's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Department's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Albuquerque, New Mexico
November 22, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To Christopher Ruskowski, Secretary of Education
New Mexico Public Education Department
and Mr. Wayne A. Johnson
New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited the New Mexico Public Education Department's ("Department") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2017. The Department's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Department's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Department complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2014-007. Our opinion on each major federal program is not modified with respect to these matters.

The Department's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Department's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-007, 2017-001, and 2017-002, that we consider to be significant deficiencies.

The Department's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Department's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Albuquerque, New Mexico
November 22, 2017

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified, modified and disclaimer on two aggregate discretely presented component units

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements Noted?

Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of Auditor’s Report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of Major Programs

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>
10.553/10.555	Child Nutrition Cluster
84.287	21 st Century
84.027/84.173	IDEA B Cluster
84.412	Race to the Top
84.048	Carl D. Perkins
84.126A	Rehabilitation Services
96.001	Social Security – Disability Insurance

Dollar threshold used to distinguish between type A and type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

Yes No

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

Section II – Findings – Financial Statement Audit

The State of New Mexico Public Education Department is made up of two distinct appropriated entities and 63 state authorized charter schools: the Public Education Department and the Department of Vocational Rehabilitation, and the various State authorized charter schools.

PUBLIC EDUCATION DEPARTMENT FINDINGS

2013-003 Improve Other IT General Controls (Other Matters) Repeated and Modified

Condition: During our review of IT general controls, we noted the following:

- There are no redundant servers for critical applications. In addition, backup tapes are stored offsite only once a week.
- There is no change management policy covering changes in network and applications.
- Programmers have access to production environment including moving programming changes to production.
- Lack of review of users access listings for network and applications
- There is no IT Security Plan

We understand that the Department is in the process of addressing the issues identified above.

Criteria: Per State of NM Statewide Guideline “Enterprise IT Security Policy”, S-GUIDE00.003, “the State of New Mexico shall securely and economically protect its business functions including public access to appropriate information and resources, while maintaining compliance with legal requirements established by existing Federal and State statutes pertaining to confidentiality, privacy, accessibility, availability, and integrity.

Effect: The deficiencies identified decrease the overall network security and are considered area that can be exploited by a potential hacker. Lack of redundant servers and the issue on back up tapes could potentially expose the Department to loss data.

Cause: The Department is aware of the issues and still in the process of addressing them.

Recommendation: We recommend the following:

- Implement system redundancy especially for critical applications (OBMS, STARS, etc.) to ensure continuous system operation in the event of disaster, or downtime for the main servers. It is also recommended to perform failover test once the redundant servers are implemented.
- Backup tapes should be stored to offsite location on a daily basis to avoid possible loss of financial data.
- Develop change management policy that will cover, authorization, testing, user’s acceptance, deployment procedures and a back-out plan. It is very important that documentation exists and that environments for development, testing and productions are segregated.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

PUBLIC EDUCATION DEPARTMENT FINDINGS (Continued)

2013-003 Improve IT General Controls (Other Matters) Repeated and Modified (Continued)

- Restrict developers' access to production environment to ensure any unauthorized changes in the system.
- Implement a formal process to review users' access listing for the network and critical applications, restricting access on a need to know basis, consistent with users' roles and responsibilities. This will ensure that the Department is not providing too much access privilege to any user that might be used either to intentionally or unintentionally modify data within the system.
- Develop IT Security Plan to protect its network and applications as well as security protocols in place for its protected and confidential information. It is also recommended to ensure that protected information is encrypted.

Management's Response:

- Regarding the system redundancy and backup tapes (bullets 1 & 2 above), PED is in the process of identifying funding to complete the Hyperconverge upgrade to our infrastructure. Phase 1 (DOIT side) is complete and once funding is available, PED will complete Phase 2 (PED side). Once PED completes the Hyperconverge upgrade on both sides, all systems will synch and thereby establish redundancy; as well as establish nightly back-ups. Until the Hyperconverge upgrade is completed, PED will increase cold back-ups to twice weekly.
- Regarding the change management policy and restricted developer access, (bullets 3& 4 above) PED is in the process of moving equipment from DOIT to PED (these are the servers freed up by Phase I of the Hyperconverge upgrade). This will allow PED to create full Development and Testing environments on the PED side and a separate Production environment on the DOIT side. As part of the PED IT Internal Standards effort (ongoing), PED is develop new policies and procedures that control the work of developers in the Development and Testing environments, as well as the publication of applications to Production. PED anticipates completing this work by the end of calendar year 2017.
- Regarding the development of an IT Security Plan (bullet 6 above), PED is in the process of creating and filling a new "IT Security and Compliance Administrator III" (Jobcode: ICSC26). Once filled, the new IT Security and Compliance Administrator will be responsible for completing and enforcing PED's IT Security Plan.
- Regarding review users' access listing (bullet 5 above), PED IT will partner with Human Resources to formalize a process for defining (and revisiting) access required for staff to perform their assigned duties. Once in place, hiring managers will define access requirements which will need to be approved by their supervisors (Division Directors or Deputy Secretaries). The person responsible for ensuring compliance with the new process will be the new IT Security and Compliance Administrator.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

DEPARTMENT OF VOCATIONAL REHABILITATION FINDINGS

2016-006 Internal Control Structure - (Non-Compliance in Accordance with the New Mexico State Audit Rule)

Condition: During our testwork over payroll we noted that in 1 out of 25 payroll transactions tested, that the employee was being paid \$0.01 under what was approved per the Personnel Action Form. This underpayment was due to an error in the email approval from SPO (State Personnel Office). We do consider this to be an exception, because the error was not identified until brought to DVR's attention by the audit team. We understand that the Department is in the process of addressing the issues identified above.

Criteria: Per Section 6-5-2(C) NMSA 1978, State agencies shall implement internal accounting to prevent accounting errors and violation of state and federal law and rules related to financial matters. In addition, implement controls to prevent the submission of processing documents to the financial control division that contain errors or that are for a purpose not authorized by law.

Effect: Misstatements of financial statements.

Cause: Lack of effective internal controls surrounding the financial reporting process.

Recommendation: We recommend that management ensure that adequate internal controls are established surrounding the financial reporting process. In addition, we recommend that the Division ensure all pay rates agree to what has been reviewed and approved within the Personnel Action form, when entering into HCM-SHARE.

Management's Response: NMDVR agrees with the finding that 1 out of 25 payroll transactions sampled noted an employee being paid \$0.01 under the amount that was approved in the Personnel Action Form (PAF), which was signed, by all of management. Management believes this was an isolated occurrence, and is not indicative of a widespread concern within the DVR.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

Section III – Findings and Questioned Costs – Major Federal Award Programs Audit

DEPARTMENT OF VOCATIONAL REHABILITATION FINDINGS

2014-007 Eligibility (Federal Non-Compliance)

Federal Program Information:

<i>Funding Agency:</i>	<i>U.S. Department of Education</i>
<i>Title:</i>	<i>Rehabilitation Services – Vocational Rehabilitation Grants to States</i>
<i>CFDA Number:</i>	<i>84.126</i>
<i>Award year and number:</i>	<i>2017, H126A170045</i> <i>2016, H126A160045</i>

Condition: During our testing of eligibility controls and compliance it was noted that for 2 out of the 40 individuals tested, the eligibility determination was not properly approved within the required 60 days and 1 out of the 40 individuals tested, the Individualized Plan for Employment (IPE) was not completed within the required 90 days of eligibility determination. Additionally, we noted 1 instance in which an extension for eligibility determination was missing the applicant’s signature. We understand that the Department is in the process of addressing the issues identified above.

Criteria: 29 USC 722(a)(6), the designated State unit shall determine whether an individual is eligible for vocational rehabilitation services under this subchapter within a reasonable period of time, not to exceed 60 days, after the individual has submitted an application for the services unless – (A) exceptional and unforeseen circumstances beyond the control of the designated State unit preclude making an eligibility determination within 60 days and the designated State unit and the individual agree to a specific extension of time; or (B) the designated State unit is exploring an individual’s abilities, capabilities, and capacity to perform in work situations under paragraph (2)(B). Additionally, 29 USC 722 (b)(3)(F), the individualized plan for employment shall be developed as soon as possible, but no later than a deadline of 90 days after the date of the determination of eligibility described in paragraph (1), unless the designated State unit and the eligible individual agree to an extension of that deadline to a specific date by which the individualized plan of employment shall be completed.

Questioned Costs: None.

Effect: There is an increased likelihood that an ineligible individual could receive benefits without them being detected. Eligible individuals may not receive vocational rehabilitation benefits timely and in accordance with program requirements. Additionally, this could have a future impact on funding as the Federal government may reduce the funding for the New Mexico Rehabilitation Services program, which may have a significant effect on the operations of the program.

Cause: There was inconsistent oversight and review of eligibility determinations and IPE completion at the field office locations.

Recommendation: We recommend that the Division implement current controls with additional oversight from the Administrative Office or design and deploy revised procedures that allow for proper oversight between positions at the field offices. We also recommend that the Division establish monitoring procedures to ensure that eligibility determinations and IPE’s are completed timely and in accordance with program requirements.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

Management's Response and Corrective Action Plan: NMDVR agrees with the finding that 2 out of 40 sampled individual's eligibility determination and 1 out of 40 IPE's were not properly approved within the required 60-day timeframe. The division has implemented the following implemented in FY16 and FY17. These controls include:

- A statewide caseload review was conducted by January 29, 2016 by Vocational Rehabilitation Counselors (VRCs) and Program Managers (PMs) to ensure all eligibilities were brought into compliance, by either getting extensions signed by participants, or completing eligibilities within the required timeframe. PMs compiled a report, which was reviewed by the Field Operations Directors (FODs).
- Field Operations Specialists (FOSs) started weekly audit reviews of participant files to ensure fiscal compliance along with Eligibility and IPE determination compliance. This was implemented May 2016.
- NMDVR's Aware team implemented system alerts for eligibility determinations so that FODs will be notified a week in advance of any eligibility that may go into overtime so that immediate action can be taken. VRCs and PMs receive alerts earlier in the 60-day timeframe as well; this was implemented July 2016. Timelines for overtime alerts were adjusted in FY2017 to allow more time for PMs to take appropriate action to prevent overtimes from occurring.
- During FY17 phase one and two of the Rehabilitation Services Unit (RSU) restructuring was implemented to provide more oversight and management of caseloads. Phase three and four are planned for FY18. As of October 2017, the division added a fifth FOD position, providing much more direct oversight of operational areas and PMs. Prior to this FODs were overseeing three to four areas each, this has now been reduced to two primary areas each.
- Phase three and four restructuring of RSU is in process; it includes the restructuring of the Albuquerque Metro area operations to equally distribute the caseload oversight by PMs. RSU is looking to add a tenth PM position to serve the Farmington or Gallup office, creating a tenth operational area. RSU is also creating an eleventh PM position in the Las Cruces area. Both of these additions will lower the caseload number each PM manages, increasing oversight capabilities. As of November 2017, the restructuring of caseloads has been completed and the two new operational areas have been created. The division is in the process of advertising and hiring the 2 new PM positions.
- The Division's Internal Auditor continues to conduct individual file reviews, monitoring eligibility and IPE compliance.
- During FY2016 RSU implemented a 5-7 workday turnaround approval for eligibility and IPE for all PMs. RSU also implemented a tracking log to ensure compliance and oversight by FODs.
- In FY17 eligibility and IPE timeline requirement and deadlines were added to all VRC employee evaluations. The division has also begun to use progressive discipline in response to any overtimes in these two categories.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

DEPARTMENT OF VOCATIONAL REHABILITATION FINDINGS (CONTINUED)

2017-001 Earmarking (Federal Non-Compliance)

Federal Program Information:

<i>Funding Agency:</i>	<i>U.S. Department of Education</i>
<i>Title:</i>	<i>Rehabilitation Services – Vocational Rehabilitation Grants to States</i>
<i>CFDA Number:</i>	<i>84.126</i>
<i>Award year and number:</i>	<i>2017, H126A170045</i> <i>2016, H126A160045</i>

Condition: The Department only earmarked 5.94% of the total grant award for pre-employment transition services. The Division was aware that the earmarking requirement was not going to be met for the year ended June 30, 2017. Procedures have been implemented during the fiscal year to better track and monitor these expenditures. However, there was not adequate time to reach the requirement subsequent to the implementation of the procedures.

Criteria: Per Section 110(d)(1) of the Act, From any State allotment under subsection (a) for a fiscal year, the State shall reserve not less than 15 percent of the allotted funds for the provisions of pre-employment transition services.

Questioned Costs: None.

Effect: The Division is not in compliance with the federal earmarking requirement for the Rehabilitation Services program.

Cause: Procedures to track and monitor pre-employment transition service expenditures were not implemented timely enough to reach the 15% earmarking requirement.

Recommendation: We recommend that the Division follow the procedures designed to track and monitor these expenditures and set quarterly goals to ensure that the 15% requirement is met by year end.

Management's Response and Corrective Action Plan: The division agrees with the finding that for FY17 only earmarking 5.94% of the 15% required PRE-ETS set aside required by WIOA. The division is in the process of fully implementing the PRE-ETS requirement across the state. The following progress has been made:

- For FY17 and FY18 the division entered into an Intergovernmental Agreement (IGA) with the Central Regional Education Cooperative (CREC) to provide the 5-core required PRE-ETS courses to all NM students with a disability.
- For FY17 and FY18 the division entered into a second IGA with the CREC to provide PRE-ETS to students with disabilities who are incarcerated in state juvenile facilities.
- As of November 2017, CREC had 23 employment transition specialists working across the state. The specialists began providing PRE-ETS services statewide in the fall semester of the 2017-2018 school year.

In November 2017, the division increased the compensation of the primary IGA by \$300,000 and the secondary IGA by \$60,000 in order to create four additional employment transition specialist positions based on statewide need.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

DEPARTMENT OF VOCATIONAL REHABILITATION FINDINGS (CONTINUED)

2017-002 Controls over Payroll (Federal Non-Compliance)

Federal Program Information:

<i>Funding Agency:</i>	<i>U.S. Department of Education</i>
<i>Title:</i>	<i>Rehabilitation Services – Vocational Rehabilitation Grants to States</i>
<i>CFDA Number:</i>	<i>84.126</i>
<i>Award year and number:</i>	<i>2017, H126A170045</i> <i>2016, H126A160045</i>

Condition: During our testwork over payroll for the Rehabilitation Services program, we noted that in 2 out of 25 payroll transactions tested, the employee was missing an approved Personnel Action Form.

Criteria: Per Division policy, if an employee is to be paid out of a federal program, the program manager is required to sign the employee’s Personnel Action Form prior to the hiring of the employee. Additionally, Per Section 6-5-2(C) NMSA 1978, “State agencies shall implement internal accounting to prevent accounting errors and violation of state and federal law and rules related to financial matters. In addition, implement controls to prevent the submission of processing documents to the financial control division that contain errors or that are for a purpose not authorized by law.”

Questioned Costs: None.

Effect: The Division is not properly following their own policies and procedures surrounding payroll. Additionally, with the lack of approval of the Personnel Action Form, there is an increased risk that an employee not working for the federal program may be paid out of federal funds.

Cause: The Division was not aware that the employees’ Personnel Action Forms were missing proper approval signatures.

Recommendation: We recommend that the Division ensure all required signatures are obtain on the Personnel Action Form for all employees prior to hire and that they are filled in the personnel file once all signatures have been obtained.

Management’s Response and Corrective Action Plan: NMDVR agrees with the finding that 2 out of 25 payroll transactions sampled noted that employee’s files were missing the approved personal action form. Management believes this was an isolated occurrence, and is not indicative of a widespread concern within the DVR. The current process within HR is that HR staff must review and ensure that all required signatures have been obtained before an employee is offered a job. HR staff have been reminded of the process.

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Section IV – Other Findings, as Required by New Mexico State Statute, Section 12-6-5, NMSA 1978

PUBLIC EDUCATION DEPARTMENT FINDINGS

No matters were reported

DEPARTMENT OF VOCATIONAL REHABILITATION FINDINGS

2016-009 Improper Disposal of Capital Assets (Other Matter and Non Compliance) Repeated and Modified

Condition: During our testwork over capital assets, we noted the Division failed to notify the Office of the State Auditor (OSA) at least 30 days prior to the disposition of property for all items disposed in FY 2017. We understand that the Department is in the process of addressing the issues identified above.

Criteria: Per 2.2.2.10 NMAC, “At least 30 days prior to any disposition of property on the agency inventory list described in Subsection U of 2.2.2.10 NMAC, written notification of the official finding and proposed disposition duly sworn and subscribed under oath by each member of the authority approving the action must be sent to the state auditor.”

Effect: The Division disposed of assets in violation of State statute.

Cause: The Division does not have a process in place to ensure the OSA is notified prior to disposition of the assets.

Recommendation: The Division should develop and implement procedures to ensure OSA is notified in writing at least 30 day prior to disposition of any items included on the Divisions’ inventory listing.

Management’s Response: NMDVR agrees with the finding that the division failed to notify the Office of the State Auditor (OSA) at least 30 days prior to the disposition of an asset.

Division staff have written policies and procedures (Section 7.10-7.10.1) they are to follow when declaring assets surplus in accordance with 2.2.10 (S) NMAC. The staff involved in the inventory and disposition of assets have again received these policies and have again been reminded that a 30-Day Notice must be provided to OSA prior to the disposition of any asset. The General Services Manager will review and approve the disposition of assets paperwork prior to its actual disposal to ensure the OSA has been properly notified.

**STATE OF NEW MEXICO
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Discretely Presented Component Unit Findings

ACADEMY OF TRADES AND TECHNOLOGY

No matters were reported

ACE LEADERSHIP HIGH SCHOOL

2016-002 Chief Procurement Officer (Compliance) Repeated

Condition: We noted that that the school did not have a Chief Procurement Officer in place for most of the year ended June 30, 2017. An individual did attend the necessary training and received the necessary certification requirements. However this did not occur until near the end of the fiscal year.

Criteria: Per 13-1-95.2.A NMSA 1978, "On or before January 1 of each year beginning in 2014, and every time a chief procurement officer is hired, each state agency and local public body shall provide to the state purchasing agent the name of the state agency's or local public body's chief procurement officer and information identifying the state agency's or local public body's central purchasing office, if applicable." Section 13-1-95.2.D NMSA 1978 also requires that the Chief Procurement Officer obtain an initial certification as well as recertification every two years.

Effect: The school is out of compliance with New Mexico statutes requiring the training, certification, and reporting of a Chief Procurement Officer.

Cause: The school had not designated or obtained the necessary training and certification necessary for any of its employees to be a Chief Procurement Officer since the departure of its former Chief Procurement Officer until near the end of the fiscal year.

Auditor's Recommendation: The School should designate an individual with the appropriate skill set and position within the school to be its Chief Procurement Officer as soon as possible when a current Chief Procurement Officer terminates employment. This individual should obtain the necessary certification as soon as possible. Upon certification of a Chief Procurement Officer, the school should register this individual on the New Mexico General Services Department website.

Management's Response: The school acknowledges that the timing of statute 13-1-95 was not met, and has designated a Chief Procurement Officer (CPO). The CPO has completed all the necessary training and registered with the New Mexico General Services Department. Management would like to note that the offered training for this requirement is only offered four times per year making it difficult to comply with statute. Responsible party is the Business Manager, implementation by 7/1/2018.

2017-001 Cash Disbursements (Compliance and Other Matters)

Condition: During internal control test work over a sample of 40 cash disbursements, we noted one instance totaling \$246.67, where a purchase order was created after the expenditure was incurred. We also noted one instance in which one purchase order did not agree to the invoice. The purchase order was for forty-four students at ten dollars per student for a total of \$417.90. In addition the purchase order did not include sales tax. The invoice was for forty-two students, included the sales tax and was paid for \$448.46, a difference of \$30.56.

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ACE LEADERSHIP HIGH SCHOOL (CONTINUED)

2017-001 Cash Disbursements (Compliance and Other Matters) (continued)

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and polices that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Effect: Reimbursements could be made without proper approval and expenditures could be reported inaccurately or misclassified in the improper fund. This could result in funds being overspent and balances misstated.

Cause: The school did not follow their policies and procedures.

Auditor's Recommendation: Ensure a purchase order is properly prepared and approved for all applicable expenditures. The purchase order and the invoice should be checked to ensure that what was approved for expenditure is properly reflected on the invoice being paid.

Management's Response: Management has sufficient existing school policies and internal controls in place to ensure compliance with the procurement code. School personnel will be reminded by the Business Manager of existing procurement policies by email and verbally by next staff meeting. The Assistant business manager will provide a screen report indicating the PO balance to the Business Manager when paying invoices to ensure payment aligns with PO amount. Responsible party is the Business Manager, implementation by 7/1/2018.

ALBUQUERQUE INSTITUTE FOR MATHEMATICS & SCIENCE

2017-001 Internal Control Structure (Non-Compliance)

Condition: During our audit we encountered the following issues:

- During our internal control testwork over a sample of twenty-five cash disbursements we noted one instances totaling \$2,605, where a purchase order was created after the expenditure was incurred.
- During our testing of journal entries it was noted that for one out of ten journal entries tested, the journal entry lacked proper approval by a responsible employee other than the preparer.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP

Effect: Misstatements of financial statements and/or possible misappropriation of assets.

Cause: Lack of effective internal controls surrounding the financial reporting process.

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ALBUQUERQUE INSTITUTE FOR MATHEMATICS & SCIENCE (CONTINUED)

2017-001 Internal Control Structure (Non-Compliance) (continued)

Auditor's Recommendation: We recommend that management ensure that adequate internal controls are established surrounding the financial reporting process.

Management's Response: The school will continue to provide training in regards to the school's purchasing procedures. The Business Office will also post a purchasing procedures flow chart document in an area that is visible to all staff to serve as a constant reminder. The business office will review journal entries posted for the month and compare to the support provided to the finance committee for their review to ensure completeness. Responsible party, Business Manager, timeline for corrective action, January 1, 2018.

ALBUQUERQUE SCHOOL OF EXCELLENCE

2017-001 Chief Procurement Officer (Non-Compliance)

Condition: The School did not have a certified chief procurement officer for the first eleven months of the fiscal year.

Criteria: NMSA 13-1-95.2 states "On or before January 1, 2015, the state purchasing agent shall establish a certification program for chief procurement officers that includes initial certification and recertification every two years for all chief procurement officers. In order to be recertified, a chief procurement officer shall pass a recertification examination approved by the secretary of general services."

Effect: The School was not in compliance with NMSA 13-1-95.2 for the first eleven months of the fiscal year.

Cause: It was difficult to find an individual with available time to go through the certification process and to find available trainings.

Auditor's Recommendation: The School's principal became a certified chief procurement officer near the end of the fiscal year, therefore the School should ensure controls are in place to remain in compliance with NMSA 13-1-95.2.

Management's Response: The availability of school administration to attend the three-day Chief Procurement Officer training and the limited number of seats in the limited number of in person trainings provided by the sole entity providing the required trainings caused a delay in getting the CPO designation for the school. The school now has a certified Chief Procurement Officer that is registered with state purchasing satisfying the requirement of NMSA 13-1-95.2.

2017-002 Segregation of Duties (Significant Deficiency)

Condition: The School's business manager has the ability to perform a wire payment without a secondary level of approval.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP."

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ALBUQUERQUE SCHOOL OF EXCELLENCE (CONTINUED)

2017-002 Segregation of Duties (Significant Deficiency) (continued)

Effect: Proper segregation of duties does not exist over bank wire transfers as the risk exists that the business manager could process unauthorized wire transfers.

Cause: The School does not have proper controls in place to ensure that two separate individuals are required to initiate and release wire payments.

Auditors' Recommendation: The School should contact the banking institution and establish a system that requires two individuals to complete a wire transfer.

Management's Response: Management will work with the school's governing body to revise and update financial controls and procedures. Management established sufficient controls for review and authorization of all banking transactions. Single approval was selected to ensure that payroll liabilities, including employee payroll, were able to be processed as approved without delay and possible hardship to school employees or finances. The person responsible is the Business Manager, and corrective action will be completed by June 30, 2018.

ALBUQUERQUE SIGN LANGUAGE ACADEMY

2017-001 Mileage Reimbursement (Compliance)

Condition: For one of ten mileage reimbursements tested the School reimbursed an employee for mileage at a rate equaling 80% of the 2015 internal revenue service standard mileage rate, when the standard rate for 2016 should have been used.

Criteria: NMAC 2.42.2.11(B)(1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official 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, 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."

Effect: The School is not in compliance with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The School was not consistent in ensuring the correct year's internal revenue service rate for mileage reimbursements were used.

Auditor's Recommendation: The School should carefully review each mileage reimbursement to ensure the correct year's rate is being used. The reimbursement request form should be updated annually to reflect the correct rate, and only the updated form should be used.

Management's Response: The School will review the mileage rate soon after calendar year end and update the reimbursement request form to reflect the correct rate. The person responsible is the Business Manager, and

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ALBUQUERQUE SIGN LANGUAGE ACADEMY (CONTINUED)

2017-002 Late Submission of W-2 and W-3 Forms (Compliance)

Condition: The School did not submit Form W-2, *Wage and Tax Statement*, and Form W-3, *Transmittal of Wage and Tax Statements*, to the Social Security Administration by the required due date and the Internal Revenue Service has assessed a penalty of \$5,400 for the late submission.

Criteria: The School was required to send copies of Form W-2 and Form W-3 to the Social Security Administration by January 31, 2017.

Effect: The School is not in compliance with filing requirements for Forms W-2 and W-3. If the School is unable to have the penalty abated, a significant amount of operational fund monies will be used to pay the penalty that should otherwise go towards education type expenditures.

Cause: Internal controls were not in place to ensure the above forms were filed by the due date.

Auditor's Recommendation: Controls should be implemented to ensure the above deadline is met each year. It should be noted that the deadline is periodically changed from time to time, which makes it particularly important that the deadline be reviewed and determined in advance to help ensure the deadline is met.

Management's Response: The School will review deadlines before calendar year end to make sure the deadline to submit W-2s is met. The business manager will be responsible for this review.

2017-003 Collateral Requirement (Compliance)

Condition: As of June 30, 2017 the School's bank balance was under-collateralized by \$937. Of the School's bank deposit balance of \$959,166 at June 30, 2017, \$253,487 was insured by the FDIC and \$351,903 was covered by pledged collateral; however, the School was required to maintain pledged collateral of \$352,840.

Criteria: Section 6-10-17, NMSA 1978, requires pledged collateral for deposits in banks, savings and loan associations, or credit unions, in an agreement amount equal to one-half of the amount of public money in each account. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union (NCU) shares insurance.

Effect: The School is not in compliance with State statute.

Cause: Controls are not in place to properly monitor this requirement to ensure compliance.

Auditor's Recommendation: The pledged collateral agreement should be reviewed on a monthly basis to ensure that bank balances are properly collateralized.

Management's Response: As of August 2017 the bank balance is no longer under-collateralized as the School has increased the collateralization amount with its financial institution. The School has implemented a monthly review process. The person responsible is the Business Manager, and corrective action has been taken but will be ongoing.

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ALBUQUERQUE SIGN LANGUAGE ACADEMY (CONTINUED)

2017-004 Expenditures Exceed Budget (Compliance)

Condition: The School has an expenditure function where actual expenditures exceeded budgetary authority:

Capital Outlay	<u>\$5,256</u>
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Criteria: Per NMAC 6.20.2.9 (A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2, NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed.

Effect: The School's expenditures in the above function exceeded the total approved budgeted expenditures.

Cause: Budgetary controls were not in place to adequately monitor and regularly compare budget to actual results. As a result, measures were not taken to avoid or minimize the amount that actual expenditures exceeded the approved budget in the Public School Capital Outlay fund.

Auditor's Recommendation: Budget adjustment requests should be presented to and approved by PED before expending funds in excess of the budget. Controls should be implemented to ensure that budgeted amounts are compared to actual on a regular basis and the budget effectively utilized for controlling expenses and managing cash flow.

Management's Response: The expenditures exceeded budgetary authority due to a timing difference in payment of rent. The School will continue to review the budget monthly and submit any necessary budget adjustment requests timely. The Business Manager and Finance Committee is responsible for this review. The person responsible is the Business Manager, and corrective action has been taken but will be on-going.

ALDO LEOPOLD CHARTER SCHOOL

2017-001 Journal Entry Approval (Material Weakness)

Condition: The District did not apply procedures put in place for reviewing journal entries by at least two authorized individuals before posting to their Financial Management System.

Criteria: According to NMAC 6.20.2.11 Internal Control Structure - A, "School district shall establish and maintain an internal control structure including policies and procedures and is also responsible for ensuring the school district complies with laws and regulations applicable to state and federal programs. The District is required to limit access for journal adjustments outside of the automated Financial Management System adjustments to selected personnel who have adequate training in the operation of complex financial software for fund and allocation accounting. All journal entries are required to be jointly approved by at least two of the authorized individuals.

Effect: Lack of journal entry approval may result in material error for fund and allocation accounting.

Cause: This was a problem that was caused by the designated individuals not complying with District approved policies.

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ALDO LEOPOLD CHARTER SCHOOL

2017-001 Journal Entry Approval (Material Weakness)

Auditor's Recommendation: It is recommended that the School follow adopted policies and procedures to ensure that this situation does not occur in the future. Controls must require the monitoring of journal entry approval to ensure compliance with state and federal guidelines.

Management's Response: Management will ensure adopted policies and procedures are followed. This process will be implemented by the Business Manager and completed prior to June 30, 2018.

2017-002 Budgetary Condition – (Compliance)

Condition: The school had funds where actual expenditures exceeded budgetary authority:

Youth Conservation Corp (Fund 28133)	\$11,793
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Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 through 22- 8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts the function is the legal level of control.

Effect: The school is out of compliance with State Law and the control established by the use of budgets has been compromised.

Cause: A budget adjustment request was never submitted to account for the additional expenditures incurred.

Auditor's Recommendation: The school should establish a policy of budgetary review at year-end and make the necessary budgetary adjustments.

Management's Response: Three of our YCC trainers were budgeted as contract professionals under function 3300, object code 55915, but ended up being employees who had to be paid under function 2100, object code 51100, due to the fact that the chart of accounts does not allow job code 1218 under function 3300. The work they were doing was identical to that budgeted, but when they became employees rather than contractors, the UCOA forced a function change. The amount that was thus affected was \$18,423, which more than explains the function 2000 budget overage. When such changes occur in the future we will ensure a BAR is submitted to transfer expenditure authority to the new function. Responsible party, Business Manager, School Director, and Governing Council, implementation by July 1, 2017.

ALMA D'ARTE CHARTER HIGH SCHOOL

2017-001 Mileage Reimbursements (Compliance)

Condition: For the year ended June 30, 2017, auditor noted that the School reimbursed employees for mileage at a rate of forty-four cents per mile. Of the 2 travel items tested that included mileage reimbursements, 100% reimbursed a rate higher than the current statutory rate.

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official 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

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ALMA D'ARTE CHARTER HIGH SCHOOL (CONTINUED)

2017-001 Mileage Reimbursements (Compliance) (Continued)

state agencies pursuant to Section 10-8-5 (D) NMSA, 80% (forty- three cents) of the internal revenue service standard mileage rate set January 1of the previous year for each mile traveled in a privately owned vehicle."

Effect: The School did not comply with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The School's reimbursement policy was not updated for the 2016-2017 school year.

Auditor's Recommendation: The School should reimburse mileage at 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.

Management's Response: The Business Manager will ensure that employees are reimbursed no more than 80% of the Internal Revenue Service standard mileage rate. The Business Manager will corrected before June 30, 2018.

AMY BIEHL CHARTER SCHOOL

2017-001 Invoice Amount Exceeded Purchase Order Amount (Non-Compliance)

Condition: During our testing of forty cash disbursements, there was one instance in where charges on the vendor's invoice exceeded the Purchase Order amount by \$1,296.80.

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. In addition, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that "the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction."

Effect: Not being in compliance with State purchasing requirements places the School at risk for fraud or misuse of public funds.

Cause: School personnel improperly calculated the estimated Purchase Order amount.

Auditor's Recommendation: The School should implement procedures to ensure that Purchase Orders are correctly prepared.

Management's Response: Amy Biehl High School agrees with this finding. Two teachers took a group of students on an out-of-state college trip for 3 days and 2 nights. The Purchase Order for the hotel appeared to be for 4 rooms for two nights, noted as 8 rooms, with the description stating hotel rooms for 2 nights. However, the teacher intended the PO to be 8 rooms for 2 nights. When the bills from the hotel were submitted to the finance office upon return, the Finance Director noticed the discrepancy and spoke to the teacher who clarified the intent of the Purchase Order. In the future, the Finance Director will clarify all hotel purchase orders with teachers when they are submitted to assure that the Purchase Orders reflect the correct number of rooms for the correct number of nights. This procedure will begin when the next purchase order for hotel rooms is submitted. Corrective action is on-going during the FY18 year, by the Business Manager.

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ANTHONY CHARTER SCHOOL

No matters were reported

THE ASK ACADEMY

2017-001 Timely Deposits (Non-Compliance)

Condition: During testwork over cash receipts, we noted three deposit totaling \$37.00, made up of several checks and cash, were collected and not deposited within 24 hours. Management has implemented the appropriate processes and procedures, however ASK Academy lacks the immediate response to deposit funds within 24 hours of receiving them.

Criteria: NMAC 6.20.2.14 (C) states that "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day."

Effect: Cash could go missing causing students to not retain the benefit of the funds received.

Cause: School personnel did not follow established procedures to deposit the money in a timely manner.

Auditor's Recommendation: We recommend policies and procedures be implemented to track and maintain all items relating to cash receipts and ensure timely deposits.

Management's Response: The school has processes and procedures in place to properly log all cash receipts and to ensure that all cash received is deposited within 24 hours. These processes and procedures will be reviewed with the appropriate personnel. We have triple redundancy to ensure deposits are made within 24 hours. The school will consider applying for a waiver for the NMAC 6.20.2.14. The responsible party, Business Manager and timeline for corrections 1/12/2018.

THE ASK ACADEMY FOUNDATION

2016-001 Foundation Bookkeeping (Significant Deficiency) Repeated and Modified

Condition: During fiscal year 2017, we noted the following regarding the Foundation's bookkeeping:

- During the year, the transactions in the bond accounts were not recorded in the School's books.
- The Foundation did not prepare or maintain a list of capital assets.
- Foundation did not review retained earnings to ensure revenue and expenses were properly closed resulting in beginning retained earnings balance being incorrect.

Reason for reoccurrence: Foundation bookkeeper failed to close QuickBooks before the audit began.

Criteria: Accounting standards require that all transactions for all accounts be recorded in an entity's accounting records, and that each month's statement be reconciled with no unreconciled differences. Any discrepancies should be investigated.

Effect: The Foundation did not have a complete set of accounting records that accurately reflected the year's activity and year-end balances in each account. The Foundation also did not complete a fixed asset inventory listing during the year, which would include all costs incurred to construct the School building. This poses the risk of misstatement and misappropriation of assets.

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THE ASK ACADEMY FOUNDATION (CONTINUED)

2016-001 Foundation Bookkeeping (Significant Deficiency) Repeated and Modified (continued)

Cause: The Foundation was providing a list of monthly transactions to the bookkeeper, but the list did not include all activity that posted to the bank account during the month. The list of monthly transactions did not include any activity in the Foundation. Additionally, physical inventory was not completed for the Foundation. ASK Academy Foundation did not review retained earnings to ensure revenue and expenses were properly closed resulting in beginning retained earnings balance being incorrect.

Auditor's Recommendation: The Foundation should ensure all accounts are reported in the accounting records, including the bond accounts. Additionally, the monthly list of transactions provided to the bookkeeper should include all transactions that occurred during the month. If any transactions cleared the bank that were not included in the list, the Bookkeeper should inquire of the Foundation personnel. The Foundation should maintain a list of all capital assets, as well as the annual depreciation of each asset. We also recommend the Foundation to review retained earnings balance at year end to ensure revenues and expenses are properly closed.

Management's Response: The Foundation is working to ensure all records are reported within the accounting system. This includes all daily and monthly transactions. Listing of capital assets and the related depreciation schedules will be maintained. The Foundation was approved by the IRS as a calendar year entity. Because of this the Foundation's books are maintained on a calendar year basis and will be closed to meet IRS requirements. The responsible party, Business Manager and timeline for corrections 1/12018.

CARIÑOS DE LOS NINOS CHARTER SCHOOL

2014-003 Unapproved Purchase Order (Significant Deficiency) - Revised and Repeated

Condition: For four of seventy disbursements tested totaling \$6,168, the Purchase Order is dated after the vendor's invoice date.

The Charter School did not make any progress in resolving this finding. However, the Charter School's management is in the process of reviewing the policy and procedure with the appropriate personnel to ensure that this issue is resolved in subsequent years.

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. In addition, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states, "the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction."

Cause: Personnel initiated and/or completed purchases prior to obtaining approval for the purchases.

Effect: Any purchases made without prior authorization have the potential to cause cash deficits in the funds from which they are made or violations of the approved budget.

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CARIÑOS DE LOS NINOS CHARTER SCHOOL (CONTINUED)

2014-003 Unapproved Purchase Order (Significant Deficiency) - Revised and Repeated (continued)

Auditor Recommendation: The importance of cash controls and adequate planning need to be made clear to all personnel that will be involved in making purchases for the school.

Management Response: The office manager is the procurement officer for the school. Having attended the CPO trainings and now being the person responsible for issuing PO's in the financial management system, will ensure PO's are issued prior to items being purchased or services being performed. Administration is responsible for correcting this finding by June 30, 2018.

2015-002 Lack of Supporting Documentation - (Material Weakness) – Revised and Repeated

Condition: During our testing of seventy various disbursements, we noted the following deficiencies:

- Twenty-one disbursements totaling \$73,589 where some or all of the supporting documentation was not available for inspection.
- Eight disbursements totaling \$74,448 where a copy of the canceled check was not available for inspection.
- One disbursement for \$1,506 included late payment penalty fees of \$63.

The Charter School did not make any progress in resolving this finding. However, the School's management is in the process of reviewing the policy and procedure with the appropriate personnel to ensure that this issue is resolved in subsequent years.

Criteria: Maintenance of adequate supporting documentation for all disbursements, including purchase requisitions, purchase orders, travel authorizations, receiving reports, travel reports, and approval of disbursements are an integral part of a sound internal control system to safeguard the assets, and accomplish timely preparation and submission of financial reports. NMAC 6.20.2.11 states that an internal control structure shall be established to safeguard assets and insure proper accurate records. Internal control system on revenue recognition requires that all receipts be maintained with adequate supporting documentation in order to be processed further.

Cause: Management did not follow proper internal control procedures over receipt and disbursements. The Charter School staff did not ensure that all of the required documentation that supports the expenditure and receipt was in place.

Effect: Without proper documentation, there are not adequate controls over revenue and expenditures. The lack of enforcing the Charter School's policies and procedures may result in the non-authorized or incorrect calculations of invoices. The Charter School could be subject to penalties or possible legal action.

Auditor Recommendation: The Charter School should implement procedures to maintain proper supporting documentation, retain all documents related to revenue and expenditure and train personnel to adhere to the policies and procedures. We also recommend that the Charter School develop and implement stronger internal controls over its accounting of disbursements to ensure that all financial activities are properly processed, recorded, and classified.

Management Response: The office manager, who is on site, is doing all accounts payable transactions. This will improve the efficiency and organization of the accounts payable process. Administration is responsible for correcting this finding by June 30, 2018.

**STATE OF NEW MEXICO
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CARIÑOS DE LOS NINOS CHARTER SCHOOL (CONTINUED)

2016-001 - PED Cash Report (Significant Deficiency) Revised and Repeated

Condition: The Charter School's cash report to the PED did not agree to the Charter School's General Ledger at year-end. At June 30, 2017, the General Ledger had a cash balance of \$56,775, the PED Cash Report had a cash balance of \$58,451, and the Bank Reconciliation had an expected General Ledger balance of \$72,333.

The Charter School did not make any progress in resolving this finding. However, the Charter School's management is in the process of reviewing the policy and procedure with the appropriate personnel to ensure that this issue is resolved in subsequent years.

Criteria: According to State regulation 6.20.2.11 (b) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger and must be finalized by July 31 following year-end.

Cause: This is due to a lack of oversight by the management.

Effect: The Charter School is not in compliance with NMAC 6.20.2.11 (b) (6) and Regulation SBE-6.

Auditor Recommendation: All reports sent to PED must agree to the general ledger and must be finalized prior to the PED's stipulated deadlines. We recommend that all reports be reviewed before being submitted to PED.

Management Response: A draft version of the final FY17 cash report was sent as PBC documentation for the FY17 audit. A final version was not yet completed since a report was not able to be correctly completed using the FY16 financial statements as presented as of July 31, 2017. A final FY17 cash report is in the process of being completed; using the restated FY16 financial statements. Administration is responsible for correcting this finding by June 30, 2018.

2016-004 Capital Asset Listing — Compliance and Internal Control — (Material Weakness) Repeated

Condition: For the year ended June 30, 2017, the School had not maintained a capital asset listing that was reconciled to the general ledger and in compliance with the GASB 34.

The Charter School did not make any progress in resolving this finding. However, the Charter School's management is in the process of reviewing the policy and procedure with the appropriate personnel to ensure that this issue is resolved in subsequent years.

Criteria: The State Audit Act, 12-6-10 NMSA 1978 requires that the School prepare and maintain an accurate listing of capital assets. The School must have a capital assets management policy to provide accountability for the safeguarding of assets in accordance with GASB 34 and Section 12-2-10 NMSA 1978.

Cause: There are no procedures in place to ensure that all capital assets are accounted for in a capital asset inventory listing. Further, the School did not have a system in place to track capital asset additions and deletions and to calculate and account for depreciation and accumulated depreciation.

Effect: Lack of sufficient records results 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. Capital assets cannot be depreciated due to lack of information that is being maintained. As a result, the financial statements of the School may be materially misstated due to the balances of capital assets and accumulated depreciation being materially misstated.

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CARIÑOS DE LOS NINOS CHARTER SCHOOL (CONTINUED)

2016-004 Capital Asset Listing - (Material Weakness) Repeated (CONTINUED)

Auditor Recommendation: The School should develop procedures to ensure that all capital assets are accounted for in a capital asset inventory listing. The School should establish controls over its capital assets in order to safeguard them and establish accountability for their custody and use. (Capital Asset Controls 2.20.1.15, NMAC) Such controls should apply to authorization to acquire fixed assets, receiving purchases, tagging the assets, assigned location, individuals responsible for tracking use and location, and fund and organizational unit fund and organizational unit.

Management Response: Purchased assets shall be monitored through the financial management system and added to the school's asset listing. The Chancellor shall notify the office manager and business manager of all new items acquired through donation and/or settlement. A policy to this effect will be presented to the board at the November board meeting. Administration is responsible for correcting this finding by June 30, 2018.

2017-001 Annual Inventory (Compliance)

Condition: The School did not perform an annual inventory of its capital assets during fiscal year 2017.

Criteria: Section 12-6-10 (A) NMSA 1978 requires each agency to conduct an annual physical inventory of moveable chattels and equipment on the inventory list at the end of each fiscal year. The agency shall certify the correctness of the inventory after the physical inventory. This certification should be provided to the School's auditors.

Effect: The School does not comply with state requirements regarding capital asset inventory.

Cause: Internal controls are not in place to ensure an annual inventory is performed.

Auditor Recommendation: On an annual basis, complete an inventory of the School's capital assets.

Management Response: An annual inventory of capital assets shall be conducted the last quarter of each fiscal year, presented to the board by the office or business manager for certification. Administration is responsible for correcting this finding by June 30, 2018.

2017-002 Audit Committee Member (Compliance)

Condition: During our test-work, we noted that the school did not have all four required audit committee members during the year.

Criteria: Per NM State Statute 22-8-12.3: "Each local school board shall appoint an audit committee that consists of two board members, one volunteer member who is a parent of a student attending that school district and one volunteer member who has experience in accounting or financial matters. The superintendent and the school district business manager shall serve as ex-officio members of the committee. "

Effect: The school is not in compliance with a state statute.

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CARIÑOS DE LOS NINOS CHARTER SCHOOL (CONTINUED)

2017-002 Audit Committee Member (Compliance) (continued)

Cause: The school has failed to recruit all required audit committee members during the fiscal year.

Auditor Recommendation: We recommend the school recruit all required members as soon as possible for the audit committee to meet state statute requirements.

Management Response: The Chancellor and Board shall ensure that that audit committee maintains the required members. Administration is responsible for correcting this finding by June 30, 2018.

2017-003 EXPENDITURES EXCEEDED BUDGET (Compliance)

Condition: The School had funds where expenditure functions exceeded budgetary authority:

Operational - 11000		
Instructional	\$	2,797
Operational - 11000		
Support Services	\$	87,776
Operational - 11000		
Operations and Maintenance of Plant	\$	22,674
Operational - 11000		
Capital Outlay	\$	61,468
Student Transportation - 13000		
Support Services	\$	1,114
Food Service Operations - 21000		
Operation of Non-Instructional Services	\$	12,422
New Mexico Reads to Lead K-3 - 27114		
Support Services	\$	577

Criteria: According to NMAC 6.20.2.9, (A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2 NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed.

Effect: The School is non-compliant with State Law, and the controls established with budgets have been compromised.

Cause: Budget adjustment requests were not submitted to the Public Education Department to obtain budgetary authority for these expenditures.

Auditor Recommendation: We recommend that the School establish a policy of budgetary review at year-end, to ensure that necessary budget adjustment requests are prepared, submitted, and approved.

Management Response: The school shall work in conjunction with the business manager to ensure that expenses do not exceed budget authority. In the event additional revenues are expected than budgeted, a budget adjustment request shall be submitted to PED for approval. Administration is responsible for correcting this finding by June 30, 2018.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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CARIÑOS DE LOS NINOS CHARTER SCHOOL (CONTINUED)

2017-004 Timely Deposits (Compliance)

Condition: During our test-work, we noted that the School did maintain all supporting documentation together as support for activity fund deposits. It was not possible to determine if deposits are being made in a timely manner.

Criteria: NMAC 6.20.2.14.C states "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day."

Effect: The School does not comply with a State statute. In addition, cash could go missing, causing students not to retain the benefits of the funds received.

Cause: The school is not keeping all records pertaining to activity funds in an organized manner.

Auditor Recommendation: We recommend the School implement procedures to ensure that deposits are properly supported and that those deposits are made in a timely manner.

Management Response: A mail log shall be maintained by the school to record all cash receipts received by mail and a cash receipts book shall be maintained for all cash receipts received in person. Administration is responsible for correcting this finding by June 30, 2018.

2017-005 Internal Control over Fund Balances (Significant Deficiency)

Condition: During our fieldwork, we noted adjusting entries were posted to the fund balance for funds 24101,24106,24153,24154, and 31200, causing fund balance not to reconcile. Significant audit entries were required to agree the fund balances to the prior year financial statements.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Effect: The amounts reported to PED could be inaccurate and actual available funds may be improperly recorded, which could lead to funds being overspent and balances misstated in the financial statements.

Cause: Internal control procedures of the School were not properly followed.

Auditor Recommendation: We recommend the School review fund balances to ensure funds have proper ending balances and each fund is properly reconciled.

Management Response: Postings in the financial management system shall take place following GAAP and procedures in the PSAB's. Administration is responsible for correcting this finding by June 30, 2018.

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PUBLIC EDUCATION DEPARTMENT
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CESAR CHAVEZ COMMUNITY SCHOOL

2017-001 Timely Deposits (Other Non-Compliance)

Condition: During our review of 14 cash receipts, we noted one deposit in the amount of \$90 that was not deposited within twenty-four hours of being received.

Criteria: NMAC 6.20.2.14.C states “money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.”

Effect: The School is not in compliance with the twenty-four hour deposit requirement.

Cause: The School’s policies and procedures regarding cash receipts were not being enforced.

Auditor’s Recommendation: Implement internal controls to ensure deposits are made and documented in accordance with cash receipting requirements.

Management’s Response: The Business Manager will review the twenty-four hour deposit requirement with the appropriate school personnel. In addition, a back-up procedure will be established in case of an employee absence that could cause a delay in depositing funds in a timely manner. Administration is responsible for correcting this finding by June 30, 2018.

CIEN AGUAS INTERNATIONAL SCHOOL

2014-01 Internal Control Structure (Significant Deficiency and Non-Compliance) Repeated and Modified

Condition: During our review of the School’s internal control procedures over significant transaction cycles we noted the following issues regarding segregation of duties:

- The School’s Business Manager adds vendors to the accounting system, can create purchase orders, make purchases, prints checks for payment, prepares the outgoing mail, and prepares the monthly cash reconciliations.
- The School’s Business Manager adds employee information and employee pay rates into the accounting system. The Business Manager is also responsible for processing the payroll for payment.
- The School’s Business Manager is the only employee with access to the online banking website. The Business Manager is also responsible for performing all electronic payments and wire transfers to vendors.

This finding was reported in 2014, 2015, and 2016 but the School did not make progress in correcting the above segregation of duties issues during 2017.

Criteria: Per NMAC 6.20.2.11 every school district shall establish and maintain an internal control structure that will provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Effect: Inadequate segregation of duties increases the risk that errors or fraud could occur and not be discovered timely.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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CIEN AGUAS INTERNATIONAL SCHOOL (CONTINUED)

2014-01 Internal Control Structure (Significant Deficiency and Non-Compliance) Repeated and Modified (continued)

Cause: Management has not completed a basic risk assessment to identify critical duties that should be segregated to reduce the risk of errors and fraud.

Auditor's Recommendation: Management should review the current assignment of accounting functions and where feasible, duties should be segregated or mitigating controls implemented that will reduce the risk of errors or fraud. Specifically, vendor and employee system master files should be delegated to another individual that does not have the ability to record invoices, process payroll for payment, or perform check runs. Additionally, online bank access and the transmittal electronic payments and wire transfers via the online banking site should directly involve an authorized check signer.

Other review procedures should be implemented to strengthen the School's internal control. Checks prepared by the business manager should not be returned to the business manager for mailing, but should be mailed by some other appropriate individual.

Management's Response: The internal policies and procedures will be reviewed and updated to reflect a new procedure for adding vendors and creating purchase orders and changes will be made regarding the individuals who prepare outgoing mail, prepare and make bank deposits; as well as changes to payroll related procedures. A short term solution will be implemented for fiscal year 2017-2018 and a long-term solution will be implemented beginning in fiscal year 2018-2019. The school Director will be set up to review and approve all wire transfers and electronic payments being processed via the US Bank website beginning immediately.

2015-002 Budgetary Conditions (Non-Compliance) Repeated and Modified

Condition: During our review of the School's budgetary comparison schedules we noted the following issues where the School did not properly budget prior year cash carry-over:

- For fiscal year 2017 the School budgeted a deficit in the Food Services Fund 21000. Prior year cash carry-over of \$21,623 was insufficient to cover the current year budgeted deficiency of revenues under expenditures of \$24,377. This resulted in a budgeted deficit of \$2,754. It was noted that the actual revenues exceeded actual expenditures for the year by \$3,401.
- For fiscal year 2017 the School budgeted a deficit in the SB-9 Capital Improvements Local Fund 31701. The School did not appropriately budget for anticipated operating transfers of \$122,742 from SB-9 Capital Improvements Fund 31700. It was noted that actual revenues and operating transfers exceeded actual expenditures for the year by \$136,290.

This finding was reported in 2015 and 2016 but the School did not make progress in ensuring that budgets for all funds were properly prepared and accurately reflected prior year carryover amounts during 2017.

Criteria: Per NMAC 6.20.2.9 (A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2, NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information.

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CIEN AGUAS INTERNATIONAL SCHOOL (CONTINUED)

2015-002 Budgetary Conditions (Non-Compliance) Repeated and Modified (continued)

Effect: The School is out of compliance with New Mexico state statute and the controls established by the use of budgets has been compromised, which would result in deficit fund balances and unnecessary usage of funds to cover the budgeted over expenditures.

Cause: The budget adjustment request did not accurately consider prior year carry-over amounts or anticipated operating transfers from other funds for the above noted funds and budget adjustment requests were not prepared and submitted to PED.

Auditors' Recommendation: We recommend that the School establish a policy where the budget is reviewed at the end of each quarter and give consideration to deficits and ensure that designated cash is available to cover any such budgeted deficit.

Management's Response: The Business Office will review the revenues and expenditures on a regular basis to avoid over spending in any fund or line item. Budget adjustments will be presented to the Governing Council for approval then submitted through the PED OBMS system for approval and finalization. Journal entries will be presented to the Director for approval on an as needed basis to ensure that we are not spending over our budget limits. This new procedure is effective immediately, implemented by the Administrator.

2017-001 Internal Control Structure (Significant Deficiency and Other Non-Compliance)

Condition: During our testwork over twenty-five general disbursements we noted the following:

- The School purchased computer equipment totaling \$54,494 however competitive bids were not obtained prior to purchase as required by School policy.
- The School purchased computer software licenses and other IT equipment totaling \$8,602 however there were no quotes obtained prior to purchase as required by School policy.
- One disbursement was made without the establishment of a purchase order.

Criteria: Per NMAC 6.20.2.17 each school shall establish and implement written policies and procedures for purchasing.

Effect: The School is not in compliance with its internal control policies and procedures and there is the risk that the School is not obtaining the best obtainable price for goods and services. Additionally, incurring expenditures without first establishing a purchase order exposes the School to budgetary compliance and fiscal management risks.

Cause: The School did not enforce its internal control procedures surrounding the purchasing process.

Auditor's Recommendation: Management should enforce the established policies and procedures regarding purchasing. Additionally, management should consider revising current policies and procedures to address the potential need for sole source purchasing.

Management's Response: The business office will ensure that three bids/quotes are being obtained for all purchases over \$20,000 as stated in the School's employee handbook and internal policies and procedures effective immediately. The employee handbook and the internal policies and procedures will be revised to reflect sole source purchasing. Administrator is responsible for correcting this finding by June 30, 2018.

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CIEN AGUAS INTERNATIONAL SCHOOL (CONTINUED)

2017-002 Annual Capital Asset Inventory (Other Non-Compliance)

Condition: The School did not have the annual fixed asset inventory of items costing more than \$5,000 certified by the Governing Council.

Criteria: 12-6-10 NMSA 1978 requires upon completion, the annual inventory shall be certified by the governing authority as to the correctness of the physical inventory.

Effect: The School is not in compliance with State Statute governing the annual inventory of capital assets. There is the risk that the Governing Council is not made aware of issues identified during the annual fixed asset inventory count.

Cause: The School has not implemented internal control policies and procedures requiring the Governing Council to approve and certify the annual inventory count.

Auditor's Recommendation: Management should amend current fixed asset policies to ensure that the annual fixed asset inventory count is certified by the Governing Council.

Management's Response: The Business Office will revise the fixed asset policy to ensure that the annual fixed asset inventory count is certified by the Governing Council. A Fixed Asset Certification Form will be created and will be presented to the Governing Council for signature prior to the end of each fiscal year. The new policy will become effective by November 30, 2017.

CORAL COMMUNITY CHARTER SCHOOL

2017-001- Internal Control Structure-Payroll (Other Matters)

Condition: During our internal control testwork over a sample of twenty-five payroll disbursements, we found five instances where pre-tax health insurance premiums were not deducted from the employee's wages prior to the calculation of Social Security and Medicare taxes.

Criteria: NMAC 6.20.2.18 requires that the School establish payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with generally accepted accounting principles (GAAP).

Effect: The School is not properly calculating employee wages that are subject to Federal Social Security and Medicare taxes.

Cause: The School did not establish the correct pre-tax parameters in the accounting system.

Auditor's Recommendation: Review the pre-tax settings in the accounting system to ensure that employees' taxable wages are being accurately calculated in accordance with their elections.

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CORAL COMMUNITY CHARTER SCHOOL (CONTINUED)

2017-001- Internal Control Structure-Payroll (Other Matters) (continued)

Management's Response: Coral Community Charter School will have the Governance Council approve the pre-tax supplemental health insurance plan and then change the pre-tax settings in the accounting system to occur before social security, Medicare tax and taxable income are calculated. Administration is responsible for correcting this finding by June 30, 2018.

2017-002- Budgetary Conditions (Other Non-Compliance)

Condition: Coral Community Charter School had the following budgetary conditions:

- The School did not properly budget prior year cash carry-over in the Operational Fund (11000). There was cash carryover of \$96,692, however, the School budgeted a deficit of \$129,321.
- The School had expenditure functions with actual expenditures that exceeded budgetary authority in the Food Services (21000) fund:
 - Food Services Operations \$114

Criteria: NMAC 6.20.2.9 (A) requires every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2, NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information.

Effect: The School is out of compliance with state statute and the controls established by the use of budgets has been compromised, which could result in deficit fund balances and unnecessary usage of funds to cover the deficit.

Cause: The School budgeted a deficit and there was not enough prior year cash carry-over amounts to cover this deficit. Additionally, budgetary controls were not in place to adequately monitor and regularly compare budget

Auditor's Recommendation: Establish a policy where the budget is reviewed at the end of each quarter and give consideration to deficits and ensure that designated cash is available to cover such overages and to ensure that budgeted amounts are compared to actual expenditures.

Management's Response: Coral Community Charter School was aware of the extra \$721 that was budgeted in carryover. The \$721 over budgeted in carryover was less than .004% of budget; therefore the School believed the amount was immaterial and did not need to be adjusted. Coral Community Charter School did not spend more than the actual budget and has carryover from 2016-2017 school year. For future years, the School will decrease the budget if the carryover is less than what is expected after the audit is finished for the year. Administration is responsible for correcting this finding by June 30, 2018.

COTTONWOOD CLASSICAL PREPARATORY SCHOOL

2015-001 Controls Over Cash Disbursements (Compliance) Repeated and Modified

Condition: In 8 of 25 samples tested the Purchase Order was dated after the invoice for a total disbursement amount of \$4,727. Additionally, in 1 out of 25 samples tested the invoice from the vendor was missing for a total disbursement amount of \$240. Reasons for reoccurrence: The Schools plan for review of all disbursements, was not implemented to all types of disbursements.

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COTTONWOOD CLASSICAL PREPARATORY SCHOOL (CONTINUED)

2015-001 Controls Over Cash Disbursements (Compliance) Repeated and Modified (continued)

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.”

Effect: Without proper approval, documentation, and for the correct amount, purchases for unauthorized goods or services may occur.

Cause: Processes and procedures in place were by-passed by those involved in the purchasing process.

Auditor’s Recommendation: We recommend the School strengthen internal controls over purchasing procedures to ensure that all purchases are approved in accordance with School policies and procedures. Goods and/or services should not be ordered until all required authorizing signatures are obtained. In cases where the invoice amount is greater than the purchase order, a change order should be processed so the purchase order amount covers the invoice amount. Additionally, we recommend the School strengthen internal controls over procedures for filing invoices with purchase orders and requisitions for all goods purchased.

Management’s Response: The school has established procedures over purchasing to ensure compliance with all statutes and regulations. Training of school staff will continue to ensure the school meets all requirements. The responsible party, Administration (Principal) and timeline for correction by June 30, 2018.

2017-001 Excess of Expenditures over Budget (Compliance)

Condition: The Charter had functions in which actual expenditures exceeded budgetary authority:

Operational (11000)	
Support Services – Students (2100)	\$ 65,426
Operation and Maintenance of Plant(2600)	3,822
Transportation (13000)	
Student Transportation (2700)	56,935
Total	<u><u>\$ 126,183</u></u>

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 through 22- 8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts the function is the legal level of control.

Effect: The school is out of compliance with State Law and the control established by the use of budgets has been compromised.

Cause: A budget adjustment request was never submitted to account for the additional expenditures incurred for Other Support Services.

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COTTONWOOD CLASSICAL PREPARATORY SCHOOL (CONTINUED)

2017-001 Excess of Expenditures over Budget (Compliance) (continued)

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budgetary adjustments.

Management's Response: The school conducts a year end budget review and will continue to do so. The review should prevent the budget issue in the future. However, with the various changes in funding during the audited fiscal year, BARs were not able to be prepared to address all issues prior to year-end. The school requested the Public Education Department (PED) allow it to budget FY16 transportation carryover funds to help offset its legislative transportation fund decrease. The request was made in writing and by telephone. No response was provided from the PED. The PED Student Transportation Office informed the school that the funds must be reverted to the PED or risk losing its FY18 allocation. The lateness of this notice resulted in the budget issue in the transportation fund. The operational budget was impacted by final RFR's being adjusted by the PED and the deadline for final BAR's passing. The responsible party, Administration (Principal) and timeline for correction by June 30, 2018.

DREAM DINÉ CHARTER SCHOOL

2016-003 Excess of Expenditures over Budget (Other Non-Compliance) Repeated and Modified

Condition: The School's actual expenditures in Fund 21000 (Food Services) exceeded its budgeted expenditures at the function level by \$315. The school has lack of progress on budget overages.

Criteria: Per NMAC 6.20.2.9 (A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2, NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed.

Effect: The School's expenditures exceeded its approved budgetary authority by \$315 in the Food Services fund.

Cause: Budgetary controls were not in place to adequately monitor and regularly compare budget to actual results. As a result, measures were not taken to avoid the amount that actual expenditures exceeded the approved budgets for the Food Services fund.

Auditor's Recommendation: Controls should be implemented to ensure the budgeted amounts are compared to actual on a regular basis and that the budget is effectively utilized for controlling expenses and managing cash flow.

Management's Response: Effective January 2018, the Business Manager will implement procedures with the Finance Committee to review the budget on a monthly basis during the Finance Committee meeting to ensure the budget is effectively utilized.

2017-001 Employee Retirement Board and Retiree Health Care Act Contributions (Other Non-Compliance)

Condition: During our testwork over a sample of payroll transactions, we noted the following:

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DREAM DINÉ CHARTER SCHOOL (CONTINUED)

**2017-001 Employee Retirement Board and Retiree Health Care Act Contributions (Other Non-Compliance)
(continued)**

- Four employees did not have Educational Retirement Board (ERB) and Retirement Health Care (RHC) contributions withheld for one pay period during the year.
- For a portion of the year, one employee and the School did not contribute to RHC.
- One employee contributed \$80 more than required to ERB and the School contributed \$38 less than required to ERB.

In addition, only half of the School remittance to RHC (for both the employee and employer contributions) for the month of October 2016 was made by the tenth day of the subsequent month. The other half was remitted in December 2016.

Criteria: Charter 22, Article 11 NMSA 1978 "Education Retirement Act" establishes guidelines for contributions and the calculation of qualifying wages. Monthly contributions to RHC are required to be remitted no later than the 10th of the following month per NMSA 1978 10-7C-15.

Effect: The School is not in compliance with ERB and RHC requirements. The employee and the School are not making required ERB and RHC contributions.

Cause: Controls were not functioning during one payroll to ensure that all required employees and the School are contributing to ERB and RHC, when required. Additionally, one employee qualified as a Return-to-Work (RTW) employee under ERB guidelines, and the School was unaware of contributions requirements for RTW employees.

Auditors' Recommendation: Ensure ERB and RHC contributions and reports are completed in accordance with rules and regulations. Additionally, the School should periodically review contributions for all employees to ensure deductions are properly calculated and entered.

Management's Response: Effective immediately, the Business Manager will ask the Office Manager to review the payroll register before it is given to the Principal, for the 3rd review, to ensure all required deductions are deducted from employees' payroll.

2017-002 Payroll Documentation (Other matters)

Condition: During our testwork over a sample of payroll transactions, we noted the following:

- Payroll withholdings for one of nine employees did not match the elected withholdings from Form W-4.
- Time sheets and employment contract for one of nine employees was not signed by the employee.
- Insurance deductions for one of none employees did not match the New Mexico Public School Insurance Authority election form.

Criteria: NMAC 6.20.2.18 states that "school districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations".

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DREAM DINÉ CHARTER SCHOOL (CONTINUED)

2017-002 Payroll Documentation (Other matters) (continued)

Effect: The School is not in compliance with NMAC 6.20.2.18.

Cause: The School did not have internal controls in place to ensure all required documentation was retained in each employees personnel file.

Auditor's Recommendation: Develop and implement internal control procedures to ensure all employee record documentation is obtained at hiring and maintained in each employees personnel file.

Management's Response: Effective January 2018, The Business Manager will work with the Finance Committee and the Office Manger to develop and implement internal control procedures to ensure all employee record documentation is obtained at hiring and maintained in each employees personnel file.

2017-003 Internal Control Structure over Cash Disbursements (Significant Deficiency)

Condition: During our testwork of twenty-five disbursements, we noted three instances where the School procured goods or services prior to obtaining an approved purchase order, but prior to issuing a check to the vendor. In one other instance, goods were procured and a check was issued to the vendor prior to obtaining an approved purchase order.

Criteria: According to NMAC 6.20.2.17(A), an internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, and state and federal regulations.

Effect: The School is not in compliance with NMAC 6.20.2.17.

Cause: The School did not follow purchasing policies and procedures and internal controls were not in place to ensure proper support was obtained to support cash disbursements.

Auditor's Recommendation: Strengthen internal controls over purchasing procedures to ensure that all purchases are approved in accordance with the School's policies and procedures. Goods and/or services should not be procured until all required authorizing signatures are obtained.

Management's Response: Effective immediately, the Business Manager, Finance Committee and Office Manager has strengthen internal controls over purchasing procedures to ensure that all purchases are approved in accordance with the School's policies and procedures.

DZİŁ DITŁ'OOÍ SCHOOL OF EMPOWERMENT, ACTION AND PERSEVERANCE (DEAP)

2016-001 Procurement (Significant Deficiency and Other Non-Compliance) Repeated and Modified

Condition: As detailed, the School has not made progress procedures to correct the prior year finding. During our review of twenty-five general disbursements, we noted the following:

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DZİŁ DITŁ'OOÍ SCHOOL OF EMPOWERMENT, ACTION AND PERSEVERANCE (DEAP) (CONTINUED)

2016-001 Procurement (Significant Deficiency and Other Non-Compliance) Repeated and Modified (continued)

- The School did not have a chief procurement officer for a majority of the fiscal year. Further, two different individuals were approving purchase orders during the fiscal year that were not identified as the chief procurement officer.
- Twenty-two disbursements did not have a purchase order approving the disbursement.
- One reimbursement to an employee lacked support for \$715.79 of the \$1,262.52 total reimbursement.

Criteria: NMAC 1-4-1-94 states “On or before January 1, 2015, the state purchasing agent shall establish a certification program for chief procurement officers that includes initial certification and recertification every two years for all chief procurement officers. In order to be recertified, a chief procurement officer shall pass a recertification examination approved by the secretary of general services,” and “On or after July 1, 2015, only certified chief procurement officers, (2) issue purchase orders and authorize small purchases pursuant to the Procurement Code.” Additionally, according to NMAC 6.20.2.11, “Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly.”

Effect: The School is not in compliance with NMAC 1-4-1-94 and NMAC 6.20.2.11.

Cause: Adequate internal controls were not maintained to ensure that the School had a certified procurement officer that was approving purchase orders, and that there is adequate supporting documentation for disbursements.

Auditor's Recommendation: Ensure an individual from the School or associated with the School completes the certification program for chief procurement officers, registers on the certified procurement officer listing and is the final approval for all purchase orders. Additionally, ensure that supporting documentation is maintained for all disbursements.

Management's Response: DEAP Charter has revised their financial policies and procedures to clearly identify the person and role responsible in each step of their procurement process. The financial policies were revised in July of 2017. During the prior year DEAP charter had numerous Business Managers through their contracted provider. Through these transitions records were misplaced and verification of their existence was not possible. DEAP has a Chief Procurement Officer who completed their training in the fall of 2017.

2016-002 Excess of Expenditures over Budget (Other Non-Compliance) Repeated and Modified

Condition: As detailed, the School has not made progress to correct the prior year finding. Actual expenditures of the following funds exceeded budgetary authority at the function level:

Operational:	
Food Service Operations	\$5,527
New American Program:	
Instruction	\$10,419
Food Service Operations	\$140
NISN – High Performing Schools:	
Food Service Operations	\$130

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DZİŁ DITŁ'OOÍ SCHOOL OF EMPOWERMENT, ACTION AND PERSEVERANCE (DEAP) (CONTINUED)

2016-002 Excess of Expenditures over Budget (Other Non-Compliance) Repeated and Modified (continued)

Criteria: Per NMAC 6.20.2.9 (A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2, NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over expenditure of a function shall not be allowed.

Effect: The School's expenditures for the above funds exceeded the total approved budgeted expenditures at the function level by \$16,216.

Cause: Budgetary controls were not in place to adequately monitor and regularly compare budget to actual results. As a result, measures were not taken to avoid or minimize the amount that actual expenditures exceeded the approved budget.

Auditor's Recommendation: Budget adjustment requests should be presented to and approved by PED before expending funds in excess of budget. Controls should be implemented to ensure that budgeted amounts are compared to actual on a regular basis and the budget effectively utilized for controlling expenses and managing cash flow.

Management's Response: DEAP Charter has revised their financial policies and procedures to clearly identify the person and role responsible in each step of their budget and recurring maintenance process. The financial policies were revised in July of 2017. During the 2016-2017 fiscal year DEAP charter had numerous Business Managers through their contracted provider and this led to a lapse in communications on necessary budget adjustments. DEAP reviews both revenue and expenditures to budget monthly during each Governing Council meeting and management recommends and requests adjustments as appropriate. The business manager is responsible to ensure policies and procedures are followed.

2016-004 Audit Committee Structure (Other Non-Compliance) Repeated and Modified

Condition: As detailed, the School has not progress to correct the prior year finding. The audit committee does not have a member volunteer with experience in accounting or financial matters.

Criteria: NMAC 22.8.12.3 states "Except as otherwise provided in this section, each local school board shall appoint an audit committee that consists of two board members, one volunteer member who is a parent of a student attending that school district, and one volunteer member who has experience in accounting or financial matters. The superintendent and the school district business manager shall serve as ex-officio members of the committee. A local school board with more than five members may appoint more than two board members to its audit committee."

Effect: The School is not in compliance with NMAC 22.8.12.3.

Cause: Internal controls were not in place to ensure that the audit committee members met the requirements of NMAC 22.8.12.3.

Auditor's Recommendation: Review the qualifications of each audit committee member to ensure that they meet the requirements of NMAC 22.8.12.3.

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2016-004 Audit Committee Structure (Other Non-Compliance) Repeated and Modified (continued)

Management's Response: DEAP Charter school has advertised and communicated their need for a volunteer with a financial background to participate on their audit committee for the past two years. DEAP Charter School will continue to try and find a volunteer for the audit committee as required by NMAC 22.8.12.3. Administration is responsible for correcting this finding by June 30, 2018.

2017-001 Education Retirement Board (ERB) and Retirement Health Care (RHC) (Other Non-Compliance)

Condition: During our review of ERB and RHC contributions, we noted the following:

- Three of twelve monthly ERB contributions were not submitted to the New Mexico Education Retirement Board by the fifteenth of the subsequent month.
- Three of twelve monthly RHC payments were not remitted to the New Mexico Retiree Health Care Authority by the tenth day of the subsequent month.

Criteria: Monthly contributions to RHC are required to be remitted no later than the 10th of the following month per NMSA 1978 10-7C-15 and ERB instructions for preparing the contribution form 100 report states that the contributions covered by the report are to be transmitted no later than the 15th day of the subsequent month.

Effect: The School is not in compliance with New Mexico State Statutes in regards to RHC contributions and with ERB rules for transmitting and reporting contributions on a timely basis.

Cause: Proper internal controls were not in place to ensure that ERB and RHC requirements were followed.

Recommendation: Implement internal controls to ensure that monthly ERB and RHC contributions are remitted to ERB and RHCA by the due dates.

Management's Response: DEAP Charter School has parted ways with the Business Manager of record who was contracted to complete and remit the RHC and ERB reports. The school has contracted with an accounting firm to provide business management services as of July 1, 2017. The school's contract with the new accounting firm identifies monthly payroll reporting and contributions in their scope of work. In addition, the school will be provided backup of the RHC and ERB forms prior to approving the online bank payment, this procedure will be updated by December 31, 2017.

2017-002 Budget Adjustment Requests (Other Non-Compliance)

Condition: During our testing of five Budget Adjustment Requests (BAR), we identified one BAR in the amount of \$18,785 that was not approved by the Governing Council prior to submission to the New Mexico Public Education Department (PED).

Criteria: In accordance with PED requirements and 22-8-12 NMSA 1978, the School is required to follow PED procedures relating to BAR's. This includes ensuring that BAR's are approved by PED as well as the governing body of the charter school. Budget adjustments shall not be incorporated into the school district's accounting system until proper approvals have been taken place.

Effect: The School is not in compliance with NMSA 22-8-12.

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DZİŁ DITŁ'OOÍ SCHOOL OF EMPOWERMENT, ACTION AND PERSEVERANCE (DEAP) (CONTINUED)

2017-002 Budget Adjustment Requests (Other Non-Compliance) (continued)

Cause: Internal controls were not in place to ensure that all BAR's were properly approved by the Governing Council prior to submission to PED.

Auditor's Recommendation: Present all proposed BAR's to the Governing Council to obtain approval prior to submission to PED.

Management's Response: DEAP Charter has revised their financial policies and procedures to clearly identify the person and role responsible in each step of their budget and recurring maintenance process. The financial policies were revised in July of 2017. During the 2016-2017 fiscal year DEAP charter had numerous Business Managers through their contracted provider and this led to a lapse in communications on necessary budget adjustments. DEAP reviews both revenue and expenditures to budget monthly during each Governing Council meeting. In addition, DEAP Charter School's board minutes exist to empower and inform all stakeholders to the items and actions taken by the school's governance body. Documents and minutes are maintained by both the school and the Governing Council's Secretary. The school's Governance Council will review the required information that is necessary to keep all stakeholders informed and ensure that this information is present in their meeting minutes by December 31, 2017.

2017-003 Timely Deposits (Other Non-Compliance)

Condition: During our review of fifteen cash receipts, we noted the following:

- Two cash receipts were not deposited in the bank within twenty-four hours.
- One cash receipt lacked documentation supporting when the deposit was actually made at the bank.

Criteria: NMAC 6.20.2.14.C states that "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day."

Effect: The School is not in compliance with NMAC 6.20.2.14.

Cause: Adequate internal controls were not maintained to ensure that the School was depositing all cash receipts within the required time frame and maintaining support for all deposits.

Auditor's Recommendation: Ensure that cash receipts are deposited within twenty-four hours or one banking day of the actual receipt of the cash. Maintain all supporting documentation for each cash receipt and deposit made at the bank.

Management's Response: Management will review the adopted financial policies and procedures relating to cash receipts and reporting with all administrative staff. DEAP will ensure that their limited staff schedule is adjusted to ensure that all funds received are reviewed, certified, and deposited within the 24-hr. window. DEAP will also analyze banking transactions to ensure that best practices are being employed by December of 2017.

2017-004 Background Check (Other Non-Compliance)

Condition: We identified one of five employees tested that did not have a proper background check on file.

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DZIK DITĪ'OOÍ SCHOOL OF EMPOWERMENT, ACTION AND PERSEVERANCE (DEAP) (CONTINUED)

2017-004 Background Check (Other Non-Compliance) (continued)

Criteria: According to 22-10-3-3 NMSA 1978, policies and procedures should be developed requiring background checks on an applicant who has been offered employment with unsupervised access to students at a charter school.

Effect: The School is not protecting itself by performing background checks required by state statute as stated above.

Cause: Adequate internal controls were not maintained to ensure that background checks were performed in accordance with State statutes.

Auditor's Recommendation: Implement internal controls to ensure that proper background check documentation is obtained prior to new or returning employees' first day of employment.

Management's Response: All staff of DEAP Charter School, prior to their official hiring, are required to either pass a new background check, or to provide a clean background check that was previously completed not more than 2 years prior to their intended hire date. This policy is followed regardless of whether the staff will have unsupervised access to children or not. Effective March 31, 2018 the Head Administrator and Director of Operations will ensure that all employees background checks are complete and in the personnel files according to statute and the schools internal policies. In addition to ensuring that employees' background checks are intact, the school will investigate a new policy on recurring background checks for all returning staff.

ESTANCIA VALLEY CLASSICAL ACADEMY

2015-002 - Internal Control Structure over Payroll (Significant Deficiency and Other Noncompliance) Repeated and Modified

Condition: During our review of twenty-five payroll disbursements, we noted five instances where employee pre-tax payroll deductions were not deducted prior to the assessment of Medicare taxes.

This finding was reported in 2015 and 2016 but the School did not make progress in correcting the deductions in the accounting system during 2017.

Criteria: NMAC 6.20.2.12 requires every school to conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer programmed controls, management review of reports that summarize the detail of account balances and user review of computer generated reports. The School is also required to maintain an internal control structure to demonstrate the ability to record, process, summarize and report financial data. In addition, the internal control structure shall demonstrate that the school identifies applicable law and regulations, and that procedures are designed to provide reasonable assurance that the school complies with those laws and regulations.

Effect: The School is not in compliance with NMAC 6.20.2.12. In addition, the School and the employees are not paying the correct amount of taxes and benefits.

Cause: Internal controls are not in place to ensure deductions are properly entered into the payroll system.

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ESTANCIA VALLEY CLASSICAL ACADEMY (CONTINUED)

2015-002 - Internal Control Structure over Payroll (Significant Deficiency and Other Noncompliance) Repeated and Modified (continued)

Auditor's Recommendation: Implement internal controls to ensure deductions and contributions are properly entered into the payroll system. A review should be performed for all employees to ensure deductions are properly calculated and entered.

Management's Response: The School's management did a review again after the 2016 audit. Deductions were changed to correct the post-tax and pre-tax deficiency. We are again reaching out to our accounting software technicians to determine if this previous identified error is due to our Social Security exempt status and the default deduction settings that do not address the exempt status.

This review and required modifications will be completed by the Business Manager by November 9, 2017.

2017-001 - Educational Retirement Board (ERB) Contributions (Significant Deficiency and Other Noncompliance)

Condition: The School's ERB contributions reported on the monthly ERB remittance forms had a variance of \$16,568 compared to the ERB expenditures reported in the general ledger. The monthly ERB remittance forms reported employer contributions of \$208,561 while the general ledger reported employer contributions of \$225,129. A reconciliation between the contributions remitted and the amounts recorded in the general ledger did not occur.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every School district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Effect: ERB contribution expenditures recorded in the general ledger are incorrect.

Cause: The monthly contribution reports are not reconciled to the general ledger to ensure ERB contribution expenditures agree to the amounts remitted.

Auditor's Recommendation: The School should establish internal control procedures to ensure that ERB contributions reports are reconciled to the general ledger on a periodic basis.

Management's Response: The regular monthly financial committee meetings will include a reconciliation report of the total ERB reports and payments to date with the total ERB general ledger account total for review and approval. This review and required modifications will be completed by the Business Manager by November 9, 2017.

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EXPLORE ACADEMY

2016-001 Personnel Files (Other Matter) Repeated and Modified

Condition: We tested 25 payroll transactions and noted the following:

- Three I-9 forms could not be located
- Two I-9 forms were in the personnel file, but section 2 was not completed
- Three W-4 forms could not be located
- Five personnel action forms could not be located
- One background check could not be located

Reasons for reoccurrence: The Schools has not been able to locate the missing information for the files, nor have they requested new ones.

Criteria: Federal law requires that each employee complete an I-9 upon being hired to determine their eligibility to work in the United States. Each I-9 form must be accurately completed and must be maintained on file for the School to demonstrate its compliance. Personnel files must also include a Form W-4 and a personnel action form to ensure authorized and accurate deductions and withholdings are included with payroll. The School is required to complete a background check on every employee, which should be maintained in employee personnel files.

Effect: The Explore Academy is non-compliant with Federal employment law and is not maintaining complete personnel files.

Cause: Proper attention has not been given to employee personnel files. As the School has recently transitioned locations, personnel file documents have become separated and some appear to have been misplaced.

Auditor's Recommendation: We recommend that the Explore Academy review personnel files to ensure proper documents are maintained in order to demonstrate compliance with federal laws as well as good internal controls relating to payroll. The School should also establish a system for maintaining personnel files for future employees.

Management's Response: Explore Academy's current Administrator along with the Business Office will be overseeing and maintaining all supporting documentation for current and new employees. The School will ensure that controls are in place so that all personnel files are being properly completed by November 2017. The School's Administrator will also ensure that files are being periodically reviewed and that all paperwork is up to date. The responsible party, Administration (Principal) and timeline for corrective action is November 30, 2017.

GILBERT L. SENA CHARTER HIGH SCHOOL

No matters were reported

GREAT ACADEMY

2017-001 Procurement Code (Non-Compliance)

Condition: During our test work of fifty disbursement transactions we noted the following:

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GREAT ACADEMY (CONTINUED)

2017-001 Procurement Code (Non-Compliance) (continued)

- The School did not follow proper procurement procedures when it procured asphalt repair, striping and the installation of speed bumps in the amount of \$43,726. While the School utilized a vendor who is listed in the Cooperative Education Services (CES) "Blue Book," the procurement did not go through CES and the school paid this vendor directly and bids were not obtained.

Criteria: Section NMAC 6.20.2.17(A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, state and federal regulations.

Effect: The school is not in compliance with their purchasing policies and procedures and could be over paying for goods and services.

Cause: Internal controls are not in place to ensure the School's purchasing policies and procedures are followed.

Auditor's Recommendation: Establish proper internal controls to ensure the School follows the proper purchasing policies and solicits the proper number of vendors when required.

Management's Response: The GREAT Academy's Segregation of Duties and Internal Controls Policy states: **"All employees will abide by the State Procurement."** Per the New Mexico Administrative Code (NMAC) under Title 1 General Government Administration, Chapter 4 State Procurement, 1.4.1 NMAC Procurement Code Regulations: Under 1.4.1.51 Administrative Code (NMAC) under Title 1 General Government Administration, Chapter 4 State Procurement, 1.4.1 NMAC Procurement Code Regulations: "...Quotation to be obtained. Insofar as it is practical for small purchases of nonprofessional services, construction or items of tangible personal property having a value exceeding twenty thousand dollars (\$20,000) but not exceeding sixty thousand dollars (\$60,000), and in accordance with any procedures or processes set forth by the state purchasing agent, no fewer than three businesses shall be solicited via written requests containing the specifications for the procurement to submit written quotations that are recorded and placed in the procurement file. ..." This rule is requiring agencies to follow the "any procedures or processes set forth by the state purchasing agent," Upon review of 1.4.1.2 B (9) "General. Except as otherwise provided in this section, this rule applies to every agency and to every transaction to which the Procurement Code applies except the following:" " (9) procurement by charter schools;" This shows that Charter Schools are exempt from the requirements of NMAC 1.4.1 and exempt from the requirements of obtaining 3 quotes for project from \$20,000 to \$60,000. 13-1-129 Procurement under existing contracts. A. (2) " (2) with a business [ASPHALT COMPANY VENDOR] which has a current exclusive or nonexclusive price agreement with the state purchasing agent or a central purchasing office [CES] for the item, services or construction meeting the same standards and specifications as the items to be procured if the following conditions are met:

- (a) The quantity purchased does not exceed the quantity which may be purchased under the applicable price agreement; and
- (b) The purchase order adequately identifies the price agreement relied upon."

Even though, the school feels they did comply with 1.4.1.51 Administrative Code (NMAC) under Title 1 General Government Administration, Chapter 4 State Procurement, 1.4.1 NMAC Procurement Code Regulations, by utilizing an approved CES vendor at rates lower than the state approved rates (providing the best obtainable

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GREAT ACADEMY (CONTINUED)

2017-001 Procurement Code (Non-Compliance) (continued)

price), the school will further revise its purchasing policies within 90 days. The Head Administrator/Executive Director and the School's Business Manager will oversee the policy revisions. Correcting this finding by June 30, 2018.

2017-002 Segregation of Duties (Significant Deficiency)

Condition: During our review of the School's internal control procedures over significant transaction cycles we noted the following issues regarding segregation of duties:

- For travel expenditures paid for by the School's Foundation prior approval is required by a member of the Foundation's Board of Directors. While we noted that each request for travel was approved by the Foundation's Board Treasurer we also noted that this individual is also the business manager for the Great Academy, which on occasion results in him approving travel requests for individuals who are his superiors at the School, such as the School's Head Administrator/Executive Director and the Principal/Director of Academics for the School. It was also noted that the Treasurer and the School's Student and Community Outreach Coordinator are the only authorized Foundation check signers. The Student and Community Outreach Coordinator is the daughter of the Head Administrator/Executive Director and School Principal/Director of Academics.
- It was noted that the Head Administrator/Executive Director processes wire transfers without authorization or the involvement of another appropriate individual

Criteria: Per NMAC 6.20.2.11 every school district shall establish and maintain an internal control structure that will provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles.

Effect: Inadequate segregation of duties increases the risk that error or fraud could occur and not be detected or detected timely.

Cause: Management has not completed an adequate risk assessment to identify duties that should be segregated to reduce the risk of errors and fraud.

Auditor's Recommendation: Management should review the assignment of the above noted processes and duties should be adequately segregated to reduce the risk of errors and fraud and other review procedures should be implemented to strengthen the School's internal control.

The effectiveness of the Foundation's governance structure will be greatly improved if it is made up of individuals who are completely independent with respect to the School and Foundation.

Management's Response: Even though The GREAT Academy Foundation Treasurer did not violate the Foundation's travel policy and the travel was known and verbally approved in advance by the entire Board, The GREAT Academy Foundation's Board of Directors will revise, within 60 days, its procedures to only allow Foundation board members who are not employed by The GREAT Academy to approve the Executive Director or the Director of Academics' request for travel.

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GREAT ACADEMY (CONTINUED)

2017-002 Segregation of Duties (Significant Deficiency) (continued)

There are strong existing controls in place over wire transfers. Wires are seen by the Business Manager daily in bank activity, in the monthly independent bank reconciliation process, and transactions are reviewed by the Board monthly (detective controls). Furthermore, The School has additional controls in place to mitigate risk of improper/overpayments including a pre-set ACH template that allows the School to pay authorized vendors accurately and timely (preventive control), approval of the vendor payment prior to the ACH transaction (preventive control) and timely bank reconciliations to ensure vendors are not improperly paid (detective and corrective control). Even though these very strong controls are in place, the School does acknowledge this additional control procedure would improve the internal controls over bank wires. The GREAT Academy's Executive Director and Business Manager will work, within 60 days, with its bank to require the involvement of another individual in order for the Executive Director to make all of the required ACH payments including biweekly payroll and NMPISA insurance payments. Implemented by June 30, 2018, by the Principal.

HEALTH LEADERSHIP HIGH SCHOOL

2015-001 Cash Receipts (Other Non-Compliance) Repeated and Modified

Condition: During testwork over fifteen cash receipts, we noted six instances where cash receipts exceeded \$50 and a deposit was not made within twenty-four hours in accordance with the School's policy. The School has not made progress resolving this finding in the current year. The finding was reported in 2015 and 2016 but the School did not make progress in ensuring cash receipts were deposited timely during 2017.

Criteria: The School's approved policy states that, "when the receipts total less than \$50, they will remain in the possession of the business office, locked up in a safe or locked cabinet until the \$50 threshold is met. A deposit will occur once receipts total \$50, or at least once per week, whichever comes first."

Effect: The School is not in compliance with its approved policies and procedures governing cash receipts.

Cause: Business office staff were not aware of the approved policy requiring deposit of receipts once the \$50 threshold is met.

Auditor's Recommendation: Ensure deposits are made in accordance with the School's policies and procedures governing cash receipts.

Management's Response: Management agrees with this finding. In these six instances, very small amounts of cash totaling less than \$250 in most cases were held for longer than the stated policy. In total, 96 cash receipts occurred in 2016-2017 totaling over \$2.7 million. Our bank reconciliations were 100% accurate and there were no variances with regard to cash collected and cash deposited. As of September 2017, we have reviewed our cash deposits policy with our business office staff and reiterated the requirement to turn in all cash weekly or once receipts total \$50, whichever comes first. Administration is responsible for correcting this finding by June 30, 2018.

2015-005 Budgetary Conditions (Other Non-Compliance) Repeated and Modified

Condition: During our review of the School's budgetary comparison schedules, we noted that fund 31701 (Capital Improvements SB-9 local) did not balance its budget for fiscal year 2017. Budgeted expenditures exceeded budgeted revenues and previous year cash carryover by \$257. The School made progress in resolving this finding

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HEALTH LEADERSHIP HIGH SCHOOL (CONTINUED)

2015-005 Budgetary Conditions (Other Non-Compliance) Repeated and Modified (continued)

during fiscal year 2017. It was noted that actual revenues exceeded actual expenditures for the year by \$42,064. The finding was reported in 2015 and 2016 but the School did not make progress in ensuring budgets during 2017.

Criteria: Per NMAC 6.20.2.9 (A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2, NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information.

Effect: The School is out of compliance with New Mexico state statutes regarding budgets, which could result in deficit fund balances and unnecessary usage of funds to cover the budgeted over expenditures.

Cause: This fund was newly created in fiscal year 2017. The amount transferred into this fund to cover the budgeted deficit was short by \$257, and no budget adjustment request was completed to correct this.

Auditor's Recommendation: We recommend that the School establish a policy where the budget is reviewed at the end of each quarter and give consideration to deficits and ensure that designated cash is available to cover any such budgeted deficit.

Management's Response: Management agrees with this finding and will continue to review the prior year audited financial statements for the correct cash balances that require adjustments to the current year operating budget. Budget adjustment requests will be submitted to the School's Governing Council and the Public Education Department for approval. Any corrections needed for the current fiscal year will be completed by November 30, 2017.

2017-001 Internal Control Structure over Cash Disbursements (Significant Deficiency)

Condition: During our testwork of twenty-five disbursements, we noted the following:

- Four instances where the School procured goods or services prior to obtaining an approved purchase order.
- One disbursement was made in an amount greater than the authorized purchase order amount by \$592.

Criteria: According to NMAC 6.20.2.17(A), an internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, and state and federal regulations.

Effect: The School is not in compliance with NMAC 6.20.2.17.

Cause: The School did not follow purchasing policies and procedures and internal controls were not in place to ensure proper support was obtained to support cash disbursements.

Auditor's Recommendation: Strengthen internal controls over purchasing procedures to ensure that all purchases are approved in accordance with the School's policies and procedures. Goods and/or services should not be procured until all required authorizing signatures are obtained. Additionally, in cases where the invoice amount is greater than the purchase order, a change order should be processed so the purchase order amount covers the invoice amount.

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HEALTH LEADERSHIP HIGH SCHOOL (CONTINUED)

2017-001 Internal Control Structure over Cash Disbursements (Significant Deficiency) (continued)

Management's Response: Management agrees with this finding and will implement procedures to mitigate the risk of occurrence. Some services are billed annually and regularly in advance of an approved purchase order. Management will work with these vendors to properly provide invoices in accordance with the NM State Procurement Code. As of September 2017, the Finance Director has refused to pay any invoice without an approved purchase order in place. Any corrections needed for the current fiscal year will be completed by November 30, 2017. Corrective action will be overseen by the School's business manager.

2017-002 Retiree Health Care Act Contributions (Other Non-Compliance)

Condition: We noted one instance where contributions were not withheld from an employee's paycheck and remitted to the Retiree Health Care Authority (RHCA).

Criteria: According to NMSA 1978 10-7C-15, following completion of the preliminary contribution period, each participating employee, as a condition of employment, shall contribute to the RHCA fund pursuant to certain provisions.

Effect: The School is not in compliance with the Retiree Health Care Authority Act in regards to contributions being withheld and remitted to the RHCA fund.

Cause: The School went through a wage dispute with one terminated employee, which resulted in the School incurring additional salaries expenditures without the ability to withhold RHCA contributions.

Auditor's Recommendation: Internal controls should be implemented to ensure that RHCA contributions are withheld from employees and remitted to the RHCA fund in a timely manner.

Management's Response: Management agrees with this finding and will implement procedures to mitigate the risk of occurrence. A wage dispute triggered a non-traditional/supplemental payroll in which RHCA contributions were not withheld from the employee and subsequently remitted and reported to the NM Retiree Health Care Authority. As of July 2017, the Finance Director will process all supplemental payrolls for annual base pay inclusive of RHCA withholdings, as part of Standard Operating Payroll Procedures. Any corrections needed for the current fiscal year will be completed by November 30, 2017. Corrective action will be overseen by the School's business manager.

HORIZON ACADEMY WEST

2017-001 Timely Deposits (Other Non-Compliance)

Condition: For one of eleven cash receipts reviewed, the School did not deposit the amount within twenty-four hours. The receipt totaled \$529 and supporting documentation showed it was received on October 10, 2016 and deposited on October 17, 2016.

Criteria: NMAC 6.20.2.14.C states "Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day."

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HORIZON ACADEMY WEST (CONTINUED)

2017-001 Timely Deposits (Other Non-Compliance) (continued)

Effect: The School is not in compliance with the cash deposit compliance requirements as stated at NMAC 6.20.2.14.C.

Cause: For this transaction, controls were not in place to ensure the School made the deposit within a 24-hour time period.

Auditor's Recommendation: Ensure deposits are made in accordance with NMAC 6.20.2.14.C.

Management's Response: The School goes over the deposits policy/procedures with staff at the beginning of each school year and also sends an email to all staff as a reminder of the policy/procedure. Our policy states that all money is to be turned in to the business office on a daily basis by 10:00 am, no exceptions. The School will continue this practice, but in addition will send out an email reminder throughout the school year and also post the policy/procedure in visible places for the staff to see throughout the School. The School will also include this policy in the Staff Handbook. Administration is responsible for correcting this finding by June 30, 2018.

THE INTERNATIONAL SCHOOL AT MESA DEL SOL

No matters were reported

J. PAUL TAYLOR ACADEMY

2017-001 Journal Entry Approval (Material Weakness)

Condition: The District did not apply procedures put in place for reviewing journal entries by at least two authorized individuals before posting to their Financial Management System.

Criteria: According to NMAC 6.20.2.11 Internal Control Structure - A, "School district shall establish and maintain an internal control structure including policies and procedures and is also responsible for ensuring the school district complies with laws and regulations applicable to state and federal programs. The District is required to limit access for journal adjustments outside of the automated Financial Management System adjustments to selected personnel who have adequate training in the operation of complex financial software for fund and allocation accounting. All journal entries are required to be jointly approved by at least two of the authorized individuals.

Effect: Lack of journal entry approval may result in material error for fund and allocation accounting.

Cause: This was a problem that was caused by the designated individuals not complying with District approved policies.

Auditor's Recommendation: It is recommended that the School follow adopted policies and procedures to ensure that this situation does not occur in the future. Controls must require the monitoring of journal entry approval to ensure compliance with state and federal guidelines.

Management's Response: Management will ensure adopted policies and procedures are followed. This process will be implemented by the Business Manager and completed prior to June 30, 2018.

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LA ACADEMIA DOLORES HUERTA

2017-001 Mileage Reimbursements (Compliance)

Condition: For the year ended June 30, 2017, auditor noted that the School reimbursed employees for mileage at a rate of forty-four to fifty-four cents per mile. Of the 26 travel items tested that included mileage reimbursements, 100% reimbursed a rate higher than the current statutory rate.

Criteria: NMAC 2.42.2.11(B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official 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, 80%(forty-three cents) of the internal revenue service standard mileage rate set January 1of the previous year for each mile traveled in a privately owned vehicle."

Effect: The School did not comply with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The School's reimbursement policy was not updated for the 2016-2017 school year.

Auditor's Recommendation: The School should reimburse mileage at 80% of the internal revenue service standard mileage rate set January 1of the previous year for each mile traveled in a privately owned vehicle.

Management's Response: The Business Manager will ensure the mileage reimbursement rate will be no more than 80% of the Internal Revenue Service standard mileage rate, starting September 2017. This process will be implemented by the Business Manager and completed prior to June 30, 2018.

LA JICARITA COMMUNITY SCHOOL

No matters were reported

LA PROMESA EARLY LEARNING CENTER

2014-001 Purchase Orders – Modified and Repeated – (Significant Deficiency)

Condition: During our testwork we noted the following: In a sample of forty cash disbursements: Four Purchase Orders (payment total \$15,968.07) were issued after the purchase was made. A signed copy of the Purchase Order was not available for two disbursements (payment total \$2,126.18). Four purchase requisitions totaling \$7,369.07 could not be located. In a sample of two disbursements to administrators: One Purchase Order and purchase requisition (payment total \$1,020) could not be located. One purchase order and purchase requisition (payment total \$167.97) were issued after the payment was made. The School has made progress on this finding. Based on our testing the school implemented new policies and procedures to address the deficiencies in internal controls.

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that "the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction."

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LA PROMESA EARLY LEARNING CENTER (CONTINUED)

2014-001 Purchase Orders – Modified and Repeated – (Significant Deficiency) (continued)

Effect: Not being in compliance with state purchasing requirements places the School at risk for fraud or misuse of public funds.

Cause: School personnel did not follow established procurement policies of the School.

Auditor's Recommendation: All School personnel should be reminded that initiation of a purchase order is not sufficient for ordering; that an approved Purchase Order is required per School and State guidelines.

Management's Response: Management is aware of these issues and has taken steps to ensure that proper controls are in place to ensure that all purchasing by the school is done so with the correct approvals and documentation in place prior to the actual completion of the purchases. On January 31, 2017, at the school's regularly scheduled open meeting of its governing council, a revised set of financial policies and procedures was reviewed and approved for implementation. These policies and procedures were reviewed by the school's contracted business manager and provide the internal controls and segregation of duties necessary to help ensure that the school does not have a repeat of this finding. Implementation date: 1/31/2017, by Business Manager.

2015-001 Internal Control Over Cash Disbursements – Modified and Repeated - (Significant Deficiency)

Condition: During our testwork we noted the following:

In a sample of five travel and per diem reimbursements we noted one instance totaling \$1,031.99 where the purchase requisition was approved after the travel occurred.

In a sample of forty disbursements we noted the following:

- Three instances totaling \$1,419.74 where the items were coded to the incorrect general ledger account.
- Four instances totaling \$7,369.07 where no purchase requisition was available
- Two instances totaling \$2,126.17 where there was no supporting documentation (no purchase order, purchase requisition or invoice)
- Four instances totaling \$15,968.07 where the invoice was received before the PR and PO was created
- One instance totaling \$9,858.44 where the check issued was not signed by an authorized individual
- One instance totaling \$102.82 where the school paid a late penalty charge
- Five instances totaling \$16,091.54 where the payments were significantly past due

The School has made progress on this finding. Based on our testing the school implemented new policies and procedures to address the deficiencies in internal controls

Criteria: NMAC 2.42.6.20.2.11 requires that schools establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use. "The internal control structure shall include written administrative controls (rules, procedures, practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

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LA PROMESA EARLY LEARNING CENTER (CONTINUED)

**2015-001 Internal Control Over Cash Disbursements – Modified and Repeated - (Significant Deficiency)
(continued)**

Effect: Unsupported cash disbursements and late payments put the School at risk for unauthorized purchases.

Cause: School personnel did not follow established procurement policies of the School.

Auditor's Recommendation: The School should follow its own internal policy. All cash disbursements should be properly supported and paid timely.

Management's Response: Management is aware of these issues and has taken steps to ensure that proper controls are in place to ensure that all purchasing by the school is done so with the correct approvals and documentation in place prior to the actual completion of the purchases. On January 31, 2017, at the school's regularly scheduled open meeting of its governing council, a revised set of financial policies and procedures was reviewed and approved for implementation. These policies and procedures were reviewed by the school's contracted business manager and provide the internal controls and segregation of duties necessary to help ensure that the school does not have a repeat of this finding. Implementation date: 1/31/2017, by Business Manager.

2015-002 Travel & Per Diem – Modified and Repeated - (Compliance) Repeated and Modified

Condition: During our testwork we noted one instance totaling \$1,020 where there was no supporting documentation available to determine if the amount paid for travel related to K-Plus Reporting Training was correct. The School has made progress on this finding. Based on our testing the school implemented new policies and procedures to address the deficiencies in internal controls.

Criteria: Per NMAC 2.42.2.9 (B)(3) Reimbursement of Actual Expenses in Lieu of Per Diem Rates – Receipts Required, an "employee must submit receipts for the actual meal and lodging expenses incurred. Under circumstances where the loss of receipts would create a hardship, an affidavit from the officer or employee attesting to the expenses may be substituted for actual receipts. The affidavit must accompany the travel voucher and include the signature of the agency head or governing board." The school's travel and per diem policy required a reimbursement request and receipts for all travel.

Effect: The school is in violation of New Mexico Statutes and their own travel and per diem policy.

Cause: School personnel did not follow established procurement policies of the School.

Auditor's Recommendation: We recommend that the school establish procedures to ensure personnel are aware of the current per diem available per NMAC.

Management's Response: Management is aware of these issues and has taken steps to ensure that proper controls are in place to ensure that all purchasing by the school is done so with the correct approvals and documentation in place prior to the actual completion of the purchases. On January 31, 2017, at the school's regularly scheduled open meeting of its governing council, a revised set of financial policies and procedures was reviewed and approved for implementation. These policies and procedures were reviewed by the school's contracted business manager and provide the internal controls and segregation of duties necessary to help ensure that the school does not have a repeat of this finding. Implementation date: 1/31/2017, by Business Manager.

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LA PROMESA EARLY LEARNING CENTER (CONTINUED)

2016-001 Internal Control Structure – Modified and Repeated – Material Weakness

Condition: During our test work we noted the following discrepancies:

- In a sample of nine journal entries there was one instance where the journal entry and the associated supporting documentation could not be located.
- In a sample of forty disbursements there was one instance where a check totaling \$9,858.44 for payment of an invoice was not signed by authorized individuals (check contained no signatures).
- In a sample of forty cash disbursements, three items totaling \$1,418.74 were coded incorrectly.
- In a sample of seventeen personnel files we noted six did not have the required information.
- Education Retirement Board Contribution forms for July 2016 could not be located.
- In a sample of forty cash disbursements, there were two payments totaling \$2,126.17 where the supporting documentation could not be located.
- In a sample of two disbursements to administrators there was one payment totaling \$1,020 where no documentation could be located. There was also one payment totaling \$167.97 where the purchase requisition and purchase order were issued after the goods were purchased.
- In a sample of forty disbursements we noted internal controls were not operating resulting in the following: five instances totaling \$16,091.54 where the payment was significantly past due; four instances totaling \$7,369.07 where purchase requisitions were not available; Four instances totaling \$15,968.07 where the invoice was received before the PR and PO was created
- In a sample of six procurement items we noted one instance totaling \$60,723.47 in which the school did not follow their internal control policies for procuring items greater than \$60,000. In addition the Purchase Order for this item was created after the invoice was received.

The School has made progress on this finding. Based on our testing the school implemented new policies and procedures to address the deficiencies in internal controls.

Criteria: NMAC 6.20.2.17 states that each school 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. An internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, and state and federal regulations. Per the school's Purchasing policy, "The Business Manager then approves the Purchase Requisition, which is then created into a Purchase Order. The PO is then printed and given to the Office Manager to order supplies that have been approved."

Effect: The school is not in compliance with New Mexico Statutes or their own internal control policies resulting in an increased risk for fraud, errors and misuse of public funds.

Cause: School personnel did not follow established internal control policies and procedures of the School.

Auditor's Recommendation: We recommend the school review its policies and procedures to ensure that all policies and procedures created by the school are being properly followed. In addition the school should continue to train employees on all internal control policies and procedures.

Management's Response: Management is aware of these issues and has taken steps to ensure that proper controls are in place to ensure that all purchasing by the school is done so with the correct approvals and documentation in place prior to the actual completion of the purchases. On January 31, 2017, at the school's regularly scheduled

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LA PROMESA EARLY LEARNING CENTER (CONTINUED)

2016-001 Internal Control Structure – Modified and Repeated – Material Weakness (continued)

open meeting of its governing council, a revised set of financial policies and procedures was reviewed and approved for implementation. These policies and procedures were reviewed by the school's contracted business manager and provide the internal controls and segregation of duties necessary to help ensure that the school does not have a repeat of this finding. In relation to the portion of this finding concerning the Educational Retirement Board, the school has contracted with a business manager to take the responsibility of reporting to ERB on a monthly basis. The business manager maintains all files associated with ERB reporting electronically. Concerning the portion of this finding that is related to the procurement exceeding \$60k, the school's adopted policies and procedures do currently outline the process when it comes to these large purchases. In this specific instance, previous management no longer involved with the school set in place the purchase of a bathroom renovation at the school's location on Central Ave. This project was completed at the beginning of FY17 and the vendors requested payment. New management did its due diligence by having the vendor provide a walkthrough of the work performed to ensure that the work was actually completed and attempted to find any PO or RFP documentation that previous management might have put in place to no avail. Payment was made without being able to locate that documentation. Towards the end of FY17, legal services to a single vendor were approaching the \$60k threshold. Legal services were suspended while the school went through the RFP process as outlined in the school's policy. A vendor was selected through this process and legal services continued at that time. Implemented on: 3/15/2017, by Business Manager.

2016-003 Budgetary Condition – Modified and Repeated – (Compliance)

Condition: The school had funds where actual expenditures exceeded budgetary authority, in the operational fund by \$205,184 on support function 2000:

The School has made progress in reducing their budget to address overages and deficits.

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 through 22- 8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts the function is the legal level of control.

Effect: The school is out of compliance with State Law and the control established by the use of budgets has been compromised.

Cause: A budget adjustment request was never submitted to account for the additional expenditures incurred.

Auditor's Recommendation: The school should establish a policy of budgetary review at year-end and make the necessary budgetary adjustments.

Management's Response: In August 2016, school management requested that its new contracted business manager make an attempt to sort through the business office at the school which was very unkempt. The business manager organized and contacted vendors and came to the belief that there was around \$250k of unpaid bills from the previous fiscal years. Because of this, the school had a very difficult year financially with cash flow and maintaining its budget. The end result was the over expending of the Operational Fund 11000 by a significant

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LA PROMESA EARLY LEARNING CENTER (CONTINUED)

2016-003 Budgetary Condition – Modified and Repeated – (Compliance) (continued)

amount. The school utilized its FY18 budget building process to set aside \$229k, approximately 8% of its operating budget, in restricted and emergency reserve expenditures to acknowledge the school's shortfall in budget availability in the previous year. The school is on track to meet this budgetary target. Implementation date: by Business Manager on 7/1/2017 & On-going through 6/30/2018 when it will be determined if the school was able to not expend any of the set aside budget.

2016-004 Personnel Files – Modified and Repeated – (Compliance)

Condition: In a payroll test of seventeen personnel files, we noted the following items:

- Five personnel files were missing a signed employment contract for the year ending June 30, 2017.
- Five personnel files were missing a background check
- Six personnel files had issues with the Federal Form I-9: three were missing the Form I-9 and three were missing the signature of an authorized employee on the Form I-9
- Three personnel files were missing the Form W-4.

The School has made progress on this finding. Based on our testing the school implemented new policies and procedures to address the deficiencies in internal controls.

Criteria: NMAC 6.20.2.18 requires that schools maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (Federal Form I-9), federal and state withholding certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Effect: The School is not in compliance with New Mexico State Statutes in regards to employee record documentation.

Cause: School is not properly maintaining personnel files or reviewing them to make sure they are in compliance with the required statutes. Several personnel files were taken from the school before the audit and as a result they were not available for review. The school filed a complaint with police to report the missing records.

Auditor's Recommendation: The School should review all personnel files to ensure that required documentation required by NMAC 6.20.2.18 is available.

Management's Response: When the school transitioned to a new contracted business manager as well as a new director, they were tasked with organizing the entire business office of the school inclusive of employee files. The business manager provided a check list to the director of what needed to be maintained in each employee file. The director worked with the school's director of operations to ensure that each employee file contained what was required during the Fall of 2016. In September of 2017, the school was paid a visit by the APD Organized Crime Unit to view some records inclusive of employee files. At this time, it was apparent that at least 7 employee files had been removed from the locked filing cabinet. Because the director was uncertain of the possibility of former employees still having access to the school and the filing cabinet, a police report was filed on 9/14/17. In addition to this, the school's outside door locks were changed and the security codes were updated. The school will also be looking into the possibility of changing the cylinder lock on the filing cabinet where employee files are kept

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LA PROMESA EARLY LEARNING CENTER (CONTINUED)

2016-004 Personnel Files – Modified and Repeated – (Compliance) (continued)

if/when funding is showing to be available. The school's policy and/or procedures will also be revisited to determine if the process by which employee files are maintained and reviewed on a regular basis by the director of operations needs to be clearly outlined to hold that individual responsible. In addition to these steps, the school will look into the potential need to secure the actual room containing personnel files and giving only certain employees access to this secured room. Implementation: Outside door locks and security code changes completed in October 2017, by Business Manager. Filing cabinet lock change and potential policy/procedure revision to be completed by January 2017.

2016-005 Cash Management – Modified and Repeated – (Compliance)

Condition: The School did not maintain sufficient cash amounts within the General Fund to cover operational and program expenditures. For the year ended June 30, 2017, the general fund cash account on the general ledger totaled a negative balance of \$128,622. The School has made progress on this finding. Based on our testing the school implemented new policies and procedures to address the deficiencies in internal controls.

Criteria: According to NMAC 6.20.2.14 Cash Control Standards - A, "School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the Office of Management and Budget (OMB) Circular A-102, and applicable state and federal laws and regulations." and NMAC 6.20.2.14 Cash Control Standards-E, "The school district shall verify that there is sufficient cash and budget prior to the disbursement of cash. A revenue ledger is required for each revenue code as approved in the finalized budget, and additional revenue ledgers may be added as necessary."

Effect: Improper cash management may result in the need to finance normal operations and may potentially result in a going concern issue for the school. Also, the School was not in compliance with cash control standards as stated in NMAC 6.20.2.14.

Cause: Due to cash flow issues in the prior year the General Fund did not have sufficient cash balances to cover any program overages in other funds.

Auditor's Recommendation: It is recommended that the School implement policies and procedures to ensure that this situation does not occur in the future. Controls must require the monitoring of cash balances within funds to ensure compliance with state and federal guidelines. Policies and procedures should require the review of budgeted amounts to ensure expenditures do not exceed budgeted amounts and restrictions.

Management's Response: As mentioned in a previous finding response, the school used FY17 to pay for many invoices from FY16 and before to get all of its accounts current and allow the school to continue to operate. Because of this, the FY17 budget was over expended and resulted in an insufficient cash amount in the general fund. Also mentioned previously, the school has restricted expenditures amounting to \$229k to restore the cash balance that was brought down due to previous management's lack of oversight and lack of ability to keep all vendor accounts current. The \$229k was not only to cover the \$128k negative balance in the general fund but also to cover many special funds and reimbursement funds that were mismanaged and are carrying deficit balances from FY16 and earlier. Implementation date: 1/31/2017, by Business Manager.

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LA PROMESA EARLY LEARNING CENTER (CONTINUED)

2017-001 Collateral Requirement (Compliance)

Condition: As of June 30, 2017 the School's bank balance was under-collateralized by \$18,081. Of the School's bank deposit balance of \$576,105 at June 30, 2017, \$250,000 was insured by the FDIC and \$144,972 was covered by pledged collateral; however, the School was required to maintain pledged collateral of \$163,053.

Criteria: Section 6-10-17, NMSA 1978, requires pledged collateral for deposits in banks, savings and loan associations, or credit unions, in an agreement amount equal to one-half of the amount of public money in each account. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union (NCU) shares insurance.

Effect: The School is not in compliance with State statute.

Cause: Controls are not in place to properly monitor this requirement to ensure compliance.

Auditor's Recommendation: The pledged collateral agreement should be reviewed on a monthly basis to ensure that bank balances are properly collateralized.

Management's Response: The business manager has a call in to the school's bank, Wells Fargo, to determine how or why this was under collateralized and how to prevent this from happening in the future. The pledged collateral statements are not made readily available via online banking, so the school is hoping to have these statements sent on a regular basis for review much like the monthly bank statements. If the bank is unwilling to provide statements or cannot appease the school's management and governing council, the school can consider switching banks at some time in the future when the school's board of finance suspension is lifted. Implementation: Requiring a response from the bank by December 2017, by Business Manager. If the bank does not respond in a suitable way to the school, this can be an on-going implementation as the consideration to switch banks may occur.

2017-002 Education Retirement Board (ERB) and Retirement Health Care (RHC) (Other Non-Compliance)

Condition: During our review of ERB and RHC contributions, we noted the following:

- One of twelve monthly ERB contributions were not submitted to the New Mexico Education Retirement Board by the fifteenth of the subsequent month and incurred a penalty.
- Two of twelve monthly RHC payments were not remitted to the New Mexico Retiree Health Care Authority by the tenth day of the subsequent month.

Criteria: Monthly contributions to RHC are required to be remitted no later than the 10th of the following month per NMSA 1978 10-7C-15 and ERB instructions for preparing the contribution form 100 report states that the contributions covered by the report are to be transmitted no later than the 15th day of the subsequent month.

Effect: The School is not in compliance with New Mexico State Statutes in regards to RHC contributions and with ERB rules for transmitting and reporting contributions on a timely basis.

Cause: Proper internal controls were not in place to ensure that ERB and RHC requirements were followed.

Auditor's Recommendation: Implement internal controls to ensure that monthly ERB and RHC contributions are remitted to ERB and RHCA by the due dates.

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LA PROMESA EARLY LEARNING CENTER (CONTINUED)

**2017-002 Education Retirement Board (ERB) and Retirement Health Care (RHC) (Other Non-Compliance)
(continued)**

Management's Response: These instances both occurred during the time period in which there was a transition of contracted business manager. The final 10 months of the fiscal year did not involve any late payments to ERB or RHC. The school's current contracted business manager has a team that has created a payroll and payroll taxes calendar that it follows to ensure that these deadlines are never missed. In addition to this, an entire check register of all payments for each month is provided to the school's finance committee on a monthly basis for review. The finance committee reviews the amounts and the dates of the transactions. This helps provide a detective control of any late payments to these entities. Implementation – September 2017, by Business Manager.

2017-003 Procurement Code (Compliance)

Condition: During our procurement testwork we noted the following:

- The School did not follow proper procurement procedures when it procured contractors for bathroom renovations. The school paid the vendor \$60,723.47 for the year ended June 30, 2017, however the total renovation cost was \$118,191.99. The school notified the New Mexico Public Education Department on March 14, 2017 that the procurement process was not followed for these services however the work had already been completed.

Criteria: Section NMAC 6.20.2.17(A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, state and federal regulations.

Effect: The school is not in compliance with their purchasing policies and procedures and could be over paying for goods and services.

Cause: Internal controls are not in place to ensure the School's purchasing policies and procedures are followed.

Auditor's Recommendation: Establish proper internal controls to ensure the School follows the proper purchasing policies and solicits the proper number of vendors when required.

Management's Response: This finding is related to the procurement finding about in which bathroom renovations exceeded \$60k. Although, the school's adopted policies and procedures do currently outline the process when it comes to these large purchases, this process was not followed when the renovation began towards the end of FY16. This project was completed at the beginning of FY17 and the vendors requested payment. Current management did its due diligence by having the vendor provide a walkthrough of the work performed to ensure that the work was actually completed and attempted to find any PO or RFP documentation that previous management might have put in place. Payment was made without being able to locate that documentation. The school did, however, follow its own processes for a current FY17 vendor. Towards the end of FY17, legal services to a single vendor were approaching the \$60k threshold. Legal services were suspended while the school went through the RFP process as outlined in the school's policy. A vendor was selected through this process and legal services continued at that time. Implementation date: 1/31/2017, by Business Manager.

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LA RESOLANA LEADERSHIP ACADEMY

2017-001- Chief Procurement Officer (Compliance)

Condition: During the process of reviewing the New Mexico General Services Department website for the School's current Chief Procurement Officer and certification, it was noted that there had been no designation of a Chief Procurement Officer made by the School.

Criteria: In accordance with Public Education Department (PED) requirements and 13-1-95.2, on or before January 1 of each year, the School is required to provide the state purchasing agent the name of the designated Chief Procurement Officer. The state purchasing agent makes the list of chief procurement officers available to the public through the web site of the purchasing division of the general services department.

Effect: The school is not in compliance with State Statutes.

Cause: A Chief Procurement Officer was not designated by the School and provided to the state purchasing agent.

Auditor's Recommendation: The School must be familiar with Public Education Department (PED) requirements and 13-1-95.2 and follow the requirements regarding the Chief Procurement Officer.

Management's Response: The principal or a designated employee of the school will register and take a CPO class by June 30, 2018.

LA TIERRA MONTESSORI SCHOOL OF THE ARTS AND SCIENCES

2016-002 Travel and Per-Diem – (Non-Compliance) Repeated and Modified

Condition: Out of five employee reimbursements tested, we noted two instances where the School reimbursed an employee for mileage and used the wrong year's IRS mileage rate to calculate the employee's reimbursement.

The school has made progress, the amounts noted were prior to the schools new policies over travel introduced during FY17.

Criteria: NMAC 2.42.11(b)(1) NMAC states that public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile at 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.

Effect: The School is not in compliance with the Per Diem and Mileage Act and is under and over paying employees for travel on behalf of the School.

Cause: The School revised their reimbursement policy after the FY2016 audit, but had already processed employee mileage reimbursements during FY2017.

Auditor's Recommendation: The School has already revised their policy regarding mileage reimbursement to be compliant with state requirements.

Management's Response: The School continues to follow the revisions made during the prior year audit. The School has maintained compliance since implementation. The two instances were prior to FY16 audit findings. The responsible party, Business Manager and timeline for corrective action is June 30, 2017.

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LA TIERRA MONTESSORI SCHOOL OF THE ARTS AND SCIENCES (CONTINUED)

2017-001 Personnel Files – Internal Controls (Other Matters)

Condition: We tested forty payroll transactions and noted two instances where the employee's contract stated a particular number of installments over which their contract would be paid, but the employee's contract was paid out over a different number of installments. In both of these cases, the correct contract was paid, but the number of installments noted in the employee contract did not correspond to the number of payments made to the employee.

Criteria: Each employee should have signed, written documentation to support their gross pay, and should be paid according to that documentation. If changes are made to a contract, the contract should be revised and re-signed, or documentation supporting the revision should be included in the employee personnel file.

Effect: Without proper controls in place, employees can be overpaid and underpaid. The School could also be subject to claims by employees who may believe they have not been paid correctly.

Cause: The School did not adequately review and make necessary revisions to employee contracts.

Auditor's Recommendation: We recommend the School strengthen internal controls over payroll, including implementation of policies and procedures to ensure employee contracts are accurate and revised as may be necessary.

Management's Response: In the case of late start employees, the school will have Office Manager, Director and Business Manager's review the contract prior to employee signature. Office Manager will do an additional review after employees' first payroll to ensure that the pay-periods indicated in the contract are correct. The responsible party, Business Manager and Administration (Principal) and timeline is June 30, 2018.

LAS MONTANAS CHARTER HIGH SCHOOL

No matters were reported

MASTERS PROGRAM

2014-002 Procurement Documentation – (Control Deficiency) Modified and Repeated

Condition: During our test-work of ten cash disbursements for the Student Activity Fund there was one disbursement in the amount of \$1,500.00 that was not supported by a purchase requisition. The School has made progress on this finding. The \$1,500 relates to an August 2016 disbursement and based on our testing there were no further errors noted throughout the year.

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that "the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction."

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MASTERS PROGRAM (CONTINUED)

2014-002 Procurement Documentation – (Control Deficiency) Modified and Repeated (continued)

Effect: Not being in compliance with state purchasing requirements places the School at risk for fraud or misuse of public funds.

Cause: School personnel did not follow established procurement policies of the School.

Auditor's Recommendation: The School should maintain supporting documentation for all cash disbursements. School personnel should be reminded of purchasing policies and procedures.

Management's Response: Management acknowledges that an authorized purchase requisition must precede the issuance of a purchase order. Our policies conform to this requirement and employees are required to sign their acknowledgment of this policy. Management reviewed policies with staff on August 9, 2017 and staff have signed acknowledgement of procurement policies. The Business Office will make every reasonable effort to ensure compliance with school policy and state regulations, procedures were implemented in August 2017.

2014-003 Personnel Files – (Compliance) Modified and Repeated

Condition: In a payroll test of six personnel files, one personnel file was missing evidence of a certification signature on an employee's Federal Form I-9. The School has made progress on this finding. The school obtained guidance on dating the Form I-9 from the Federal Government and is in the process of reviewing all personnel files to ensure they are properly dated and signed.

Criteria: NMAC 6.20.2.18 requires that schools maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (Federal Form I-9), federal and state withholding certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Effect: The School is not in compliance with New Mexico State Statutes in regards to employee record documentation.

Cause: School personnel failed to obtain the certification signature on an employee's Federal Form I-9.

Auditor's Recommendation: The School should review all personnel files to ensure that required documentation required by NMAC 6.20.2.18 is available.

Management's Response: The employee was hired on August 10, 2012. At the time of hire the I-9 form was completed but the Certification section of the form was not signed. Management will review I-9 forms for current employees and forms will be updated as required. Implemented on 10/30/2017, by Business Manager.

2017-001 Timely Deposits – (Compliance)

Condition: During our testing of cash receipts we noted the following:

- One instance in which 34 out of 52 cash receipts were not deposited timely. The total deposit amount was \$2,600.
- One instance in which 16 out of 31 cash receipts were not deposited timely. The total deposit amount was \$1,550.

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MASTERS PROGRAM (CONTINUED)

2017-001 Timely Deposits – (Compliance) (continued)

Criteria: NMAC 6.20.2 states that "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day".

Effect: The School was not in compliance with State Statute. Additionally the School has exposed itself to possible misappropriation of assets.

Cause: School personnel did not follow established procedures to deposit the money in a timely manner.

Auditor's Recommendation: We recommend that the school create a procedure to ensure that all funds are properly receipted and deposited within one banking day.

Management's Response: Management acknowledges that during the fall 2016 registration process, student activity fees were collected and not deposited in the bank within the twenty-four hour or one banking day requirement. Our policies conform to this requirement. Management will review policies with staff responsible for collecting and receipting monies. The Business Office will make every reasonable effort to ensure compliance with school policy and state regulations, Implemented on 10/30/2017, by Business Manager.

MCCURDY CHARTER SCHOOL

2014-003 Cash Receipts (Other Noncompliance) Repeated and Modified

Condition: During testwork over 25 cash receipts, we noted one instance where a cash receipt totaling \$24 was not made within 24 hours. The School has implemented procedures to resolve this finding in the current year.

Criteria: The School's approved policy states that, "all monies must be deposited into a checking account within 24 hours of being received."

Effect: The School is not in compliance with its approved policies and procedures governing cash receipts, and monies could be susceptible to theft or misappropriation if not deposited in a timely manner.

Cause: Business office staff did not follow the School's approved policy requiring deposit of receipts within 24 hours of being received.

Auditors' Recommendation: Ensure deposits are made in accordance with the School's policies and procedures governing cash receipts.

Management's Response: McCurdy Charter School takes in large amounts of cash each month. Management continues to reinforce the procedures in place for deposits. The finance committee also does internal audit checks for cash receipt/ deposit compliance, starting early 1/1/2018 by the Business Manager.

2017-001 Budgetary Controls (Compliance)

Condition: McCurdy Charter School identified that the Teachers Hard to Staff Stipend Fund (27195) over-expended its budget by \$945 after the New Mexico Public Education Department (PED) final cash report was submitted at August 1, 2017. An adjustment was necessary after this deadline to correct this over-expenditure.

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MCCURDY CHARTER SCHOOL (CONTINUED)

2017-001 Budgetary Controls (Compliance) (continued)

Criteria: Final cash reconciliation reports should be e-mailed to the PED no later than August 1, 2017.

Effect: Adjustments were needed to the final cash reconciliation report after the report was submitted to the PED.

Cause: The comparison of actual expenditures to budgetary authority was not completed for all funds prior to submission of the final cash reconciliation report.

Auditor's Recommendation: We recommend that the School perform a budgetary review at year-end to make the necessary budgetary adjustments.

Management's Response: McCurdy Charter School went through several changes at year end; which included accounting software, building, Administrator and Business Office staff. The school will continue to strive to make sure that all review processes happen in a timely fashion. Business Manager is responsible for implementation by 1/1/2018.

2017-002 Internal Control Structure Over Payroll (NonCompliance)

Condition: During our testwork of 25 disbursements, we noted that payroll withholdings for one employee did not agree to the employees' authorized withholdings from their Form W-4.

Criteria: According to NMAC 6.20.2.18, School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Effect: The School is not in compliance with NMAC 6.20.2.17 and its approved policies.

Cause: The School did complete payroll withholdings correctly based on the completed Form W-4.

Auditor's Recommendation: Strengthen internal controls over payroll to ensure that all payroll withholdings are properly authorized.

Management's Response: It was noted by management during the audit that the Personnel files do not always include changes that happen during the payroll process. Management will continue to train staff in proper procedures for payroll and personnel files. The finance committee will also add an internal control check for compliance in personnel files. Business Manager is responsible for implementation by 1/1/2018.

2017-003 Timely Account Reconciliations (Significant Deficiency)

Condition: The School's annual accounts reconciliations of asset and liability accounts was not completed until more than four months after year-end. The School's annual audit is due the Wednesday before Thanksgiving each year according to 2.2.2 NMAC, leaving only three weeks for audit procedures to be completed.

Criteria: According to the School's approved policies, asset accounts shall be reconciled on a quarterly basis, and liabilities shall be reconciled monthly. While the policy does not address annual asset and liability reconciliations,

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MCCURDY CHARTER SCHOOL (CONTINUED)

2017-003 Timely Account Reconciliations (Significant Deficiency) (continued)

the annual reconciliations should be completed within three months after year-end to enable the audit to be completed within the required deadline in 2.2.2 NMAC.

Effect: When account reconciliations are not completed timely, the probability that errors will occur and go undetected is greatly increased. Additionally, the School could miss the deadline to have their annual audit completed.

Cause: The School went through a significant accounting system conversion after year-end. The Business Manager was over-burdened with system conversion issues and was not able to focus on completing year-end accounts reconciliations timely.

Auditor's Recommendation: Update the School's approved policies to address annual account reconciliations. Additionally, consider providing more support to the Business Manager during the system conversion so that monthly, quarterly, and annual reconciliations can be completed.

Management's Response: McCurdy Charter School went through several changes at year end; which included accounting software, building move, Administrator and Business Office staff transitions. The finance committee will look at current policies to address year end reconciliations. McCurdy Charter School will continue to strive to make sure that all review processes happen in a timely fashion. Business Manager is responsible for implementation by 1/1/2018.

MEDIA ARTS COLLABORATIVE CHARTER SCHOOL

2017-001 Cash Disbursements (Other Matters)

Condition: During testwork over internal control, per diem and travel, administrator reimbursements, and student activity funds, with a combined sample size of fifty-two, we noted sixteen instances for reimbursements totaling \$2,027, where a purchase order was created after the expenditure was incurred. In all sixteen instances the purchase order was dated after the date of the travel, meals or administrator reimbursements.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and polices that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Effect: Reimbursements could be made without proper approval and expenditures could be reported inaccurately or misclassified in the improper fund. This could result in funds being overspent and balances misstated.

Cause: The School did not follow their policies and procedures.

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MEDIA ARTS COLLABORATIVE CHARTER SCHOOL (CONTINUED)

2017-001 Cash Disbursements (Other Matters) (continued)

Auditor's Recommendation: Ensure a purchase order is properly prepared and approved for all applicable reimbursements for travel, meals and other purchases.

Management's Response: The School will adhere to its policies and procedures in order to help ensure that purchase orders are issued prior to expenses taking place. The majority of the late purchase orders were due to the business manager not issuing per diem purchase order prior to the travel taking place. The business manager will do a better job of issuing per diem purchase orders when travel is initially scheduled. Also, the business manager presented at the October 18th, 2017 staff meeting to remind staff and teachers of the policies and procedures regarding reimbursements to ensure issuance of a purchase order occurs prior to expenses being made. The Business Manager corrected this deviation from procedure on September 25, 2017 and going forward.

MISSION ACHIEVEMENT AND SUCCESS CHARTER SCHOOL

No matters were reported

MONTE DEL SOL CHARTER SCHOOL

2016-001 Expenditures Exceed Budget (Compliance) Repeated and Modified

Condition: The Charter School has expenditure functions where actual expenditures exceeded budgetary authority:

Fund	Excess of Expenditures over Appropriations
Student Transportation (13000) Instruction	\$ (14,691)
Title I/ASA (24101) Instruction	\$ (3,560)
Literacy for Children at Risk (27107) Instruction	\$ (375)
Capital Improvement HB-33 (31600) General Administration	\$ (304)

The school has not made progress on this finding, the school continues to excess budget authority by function

Criteria: According to 6.20.2.9 NMAC, budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed.

Effect: The Charter School is non-compliant with State Law.

Cause: A budget adjustment request was not submitted to account for additional expenditures incurred for Food Services.

Recommendation: We recommend that Monte del Sol should establish a policy of budgetary review at year-end to make the necessary budgetary adjustments.

Management's Response: A review will be completed in May of all funds, in order to submit Budget Adjustments for approval to the board and PED to keep funds from exceeding budgetary authority by the business manager, on-going process. The responsible party, Business Manager and Administration (Principal) and timeline 6/30/18.

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MONTE DEL SOL CHARTER SCHOOL (CONTINUED)

2016-002 Controls Over Cash Disbursements – (Significant Deficiency) Modified and Repeated

Condition: In 2 out of 25 disbursements tested, the purchase order was dated after the invoice date, indicating that the purchase was not properly approved before it was made. In 1 out of 10 special charges disbursements tested, the charter was unable to provide supporting documentation, a total of \$22,100. Additionally, ERB contributions were understated in the general ledger for ERB expense for the current fiscal year for a total amount of \$7,569, management was unable provide proper reconciliation for the differences noted.

The school has made no progress on lack of controls over disbursements, believes the issues are due to the change in Business Manager.

Criteria: NMAC 6.20.2.11 (A) Internal Control Structure Standards, “every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and polices that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.”

Effect: Without proper approval, purchases for unauthorized goods or services may occur. Also, the financial statements could be misstated if transactions are not recorded in the proper account.

Cause: The School did not follow internal control policies and procedures in place.

Auditor’s Recommendation: We recommend the Charter School strengthen internal controls over purchasing procedures to ensure that all purchases are approved in accordance with School policies and procedures. Goods and/or services should not be ordered until all required authorizing signatures are obtained. Written approval should be indicated on invoices before payment in accordance with School policies, and those reviewing and recording transactions should ensure the proper account coding.

Management’s Response: MDS is strengthen internal controls over purchasing by communicating to staff that a PO needs to be in place before purchasing items or requesting services. Communication will flow to staff frequently to remind them the purchasing procedures. MDS is implementing an electronic filing system to avoid misplacing documents when those are taken out of the filing cabinets and misfiled them. The responsible party, Business Manager and Administration (Principal) and timeline 6/30/18.

2016-004 Timely Deposits – (Compliance) Modified and Repeated

Condition: During our cash receipt testing, out of 25 transactions tested, we noted 1 instance totally \$295, in which the funds were not deposited at a financial institution within 24 hours of receipt.

The school has made no progress deposits, believes the issues are due to the change in Business Manager.

Criteria: Per NMAC 6.20.2.14.C states that “money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day”.

Effect: The School is not in compliance with the cash deposit compliance requirements as stated at NMAC 6.20.2.14.C.

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MONTE DEL SOL CHARTER SCHOOL (CONTINUED)

2016-004 Timely Deposits – (Compliance) Modified and Repeated (continued)

Cause: Individuals who collect funds outside of the Business Office are not aware of the State requirements to deposit funds within 24 hours of receipt. In this case, funds were received by the Athletics department.

Auditor's Recommendation: We recommend that the School train other departments on policies and procedures that are in place to ensure that all cash receipts are deposited within 24 hours.

Management's Response: MDS is working with the staff that is collecting money and making deposits to make sure they are following the state required 24 hours requirement. The responsible party, Business Manager and Administration (Principal) and timeline 6/30/18.

THE FOUNDATION FOR MONTE DEL SOL CHARTER SCHOOL

2017-001 Cash Disbursements – (Material Weakness)

Condition: During our testwork over disbursement, we noted that in 1 out of 19 samples tested, the Foundation was unable to provide supporting documentation for the expenditure. Additionally, we noted a journal entry to record the refinancing of debt during the current fiscal year was incorrectly booked to equity. The entry led to a material misstatement of the Foundation's equity balance.

Criteria: In accordance with GAAP, an entity shall establish and maintain an internal control structure to provide management with reasonable assurance and mitigate risk. Appropriate and accurate journal entries are essential in correcting errors, facilitating the month-end closing process, and preparing accurate financial statements. Journal entries should be reviewed by someone other than the preparer and that has the accounting knowledge to determine that the entry is appropriate and correct. The entry should be accompanied by supporting documentation to facilitate the review process. The review should be performed prior to the entry being recorded in the accounting records to reduce the need for additional correcting journal entries.

Effect: Lack of supporting documentation for cash disbursements could lead to unauthorized purchases or payments to vendors. Incorrect journal entries posted may result in error and a misstatement of the financial statements.

Cause: The Foundation does not have adequate staffing to implement secondary review and approval of disbursements or journal entries.

Auditor's Recommendation: We recommend the Foundation ensure the implementation of internal control procedures on all transactions. Additionally, we recommend the Foundation utilize available resources to ensure the proper booking of journal entries.

Management's Response: The Foundation will utilize Debby Weissman, CPA or Axiom for Journal Entries in the future. In this case the audit happened before the accountant had completed the taxes for FY 2016-2017 and provided journal entries. The bookkeeper, Lisa Vesper was out of town for a family emergency when the above-mentioned expense occurred, this is not a repeat issue. Receipts are required for all expenditures. Business Manager is responsible. These procedures will be effective immediately.

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MONTESSORI ELEMENTARY SCHOOL

No matters were reported

NEW AMERICA CHARTER SCHOOL

2017-001 Travel and Per-Diem (Other Non-Compliance)

Condition: During our review of three travel expenditures we noted the following:

- Two instances where individuals attended a training event outside of the state and received more than \$45 a day in actual reimbursements for meals purchased.
- We noted one instance where the School had a training for sixteen individuals in Cloudcroft, New Mexico. This training was for three days and, on each day, the School went over the \$30 maximum actual reimbursement rate for meals purchased.

Criteria: Per NMAC 2.42.2.9 "Reimbursements for Actual Expenses in Lieu of Per Diem Rates" section (2) Actual reimbursement for meals states that "Actual expenses for meals are limited by Section 10-8-4(K)(2) NMSA 1978 (1995 Repl. Pamp.) to a maximum of \$30.00 for in-state travel and \$45.00 for out-of-state travel for a 24-hour period".

Effect: The School was in violation of state travel and per diem requirements. Funds requested for reimbursement could be disallowed.

Cause: The School did not follow internal policies and procedures.

Auditor's Recommendation: Ensure the School's policies and procedures are properly followed so that amounts paid to employees for actual per diem expenses are not paid in excess of state requirements.

Management's Response: Management has instituted the use of travel forms over the past couple of years that aid in the calculation of allowable reimbursement rates for meals, mileage, etc. These will be reviewed more thoroughly by the assistant business manager and the business manager both prior to travel and after travel to ensure that per diem requirements are met. Also, when contracting with a PD provider that has all-inclusive type costs, the contract will be more thoroughly reviewed to ensure that meals and lodging do not exceed per diem rates established in statute. Business Manager is responsible for implementation by 1/1/2018.

2017-002 Segregation of Duties (Significant Deficiency)

Condition: The School's business manager has the ability to perform a wire payment without a secondary level of approval.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP."

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NEW AMERICA CHARTER SCHOOL (CONTINUED)

2017-002 Segregation of Duties (Significant Deficiency) (continued)

Effect: Proper segregation of duties does not exist over bank wire transfers as the risk exists that the business manager could process unauthorized wire transfers.

Cause: The School does not have controls in place to ensure that two separate individuals are required to initiate and release wire payments.

Auditors' Recommendation: The School should contact the banking institution and establish a system that requires two individuals to complete a wire transfer.

Management's Response: Management provides a type of segregation of duties as all transfers of money out of the school's account are reviewed on a monthly basis in detail by the school's finance committee as well as the governing council. This monthly review includes reconciled and provable balances within all the reports provided to the finance committee and governing council. Measures are being taken to provide even more controls when it comes to wire transfers from the bank. The business manager for the school has a call out to the school's contact at the bank to discuss the best course of action that would introduce a proper segregation of duties with identifiable backup that ensures that any new processes are being followed. Business Manager is responsible for implementation by 1/1/2018.

2017-003 Retiree Health Care Contributions (Other Non-Compliance)

Condition: During the fiscal year, the School incorrectly included lump-sum payments for unused leave totaling \$38,184 in the New Mexico Retiree Health Care contribution.

Criteria: Earnings covered for contributions include all salary remuneration to the member for services rendered whether included under a contract or not. Not covered for contribution purposes are reimbursements, lump-sum payments for unused, accrued sick leave and early retirement incentive payments.

Effect: The School and the employees contributed \$358 too much to the New Mexico Retiree Health Care Authority.

Cause: The School inadvertently included payments for unused leave when contributing to the New Mexico Retiree Health Care Authority.

Auditor's Recommendation: Ensure that retiree health care contributions are made in accordance with the applicable rules and regulations.

Management's Response: The school's business manager had been made aware that ERB should not be deducted from unearned salaries (such as leave payouts) during FY17. At the time that leave was to be paid out, the business manager's call out to RHC to verify if it should be treated the same as ERB had not been returned by the NMRHC Authority. Because of this, the business manager had determined to be conservative and add the RHC deduction to the leave payouts in order to avoid any under reporting which could result in fees. The NMRHCA responded to the business manager after the leave had already been paid out and it will result in a change in any future payouts of this sort. Business Manager is responsible for implementation by 1/1/2018.

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NEW AMERICA CHARTER SCHOOL (CONTINUED)

2017-004 Budgetary Conditions (Other Non-Compliance)

Condition: The School did not properly budget prior year cash carry-over in the SB-9 Ad Valorem Fund 31701. Budgeted property tax revenue of \$134,382, along with designated cash of \$176,692, was insufficient to cover the budgeted expenditures of \$328,010 creating a budgeted deficit in the amount of \$16,936.

Criteria: Per NMAC 6.20.2.9 (A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2, NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. NMSA 1978 section 22-8-6 states "A school shall be considered as failing to submit a budget if the budget submitted exceeds the total projected resources of the school."

Effect: The School is out of compliance with New Mexico state statute and the controls established by the use of budgets has been compromised, which could result in deficit fund balances and unnecessary usage of funds to cover the budgeted over expenditures.

Cause: The original budget had over projected expenditures and a budget adjustment request was not prepared and submitted to PED.

Auditor's Recommendation: We recommend that the School establish a policy where the budget is reviewed at the end of each quarter and give consideration to deficits and ensure that designated cash is available to cover such overages.

Management's Response: The FY17 budget was prepared in the spring of 2016 and the amount of cash carryover was projected at that time for what was to be a new fund in FY17 (Fund 31701). The school's business manager does have processes in place to adjust actual cash carryover amounts with the release of the prior year's audit. However, because Fund 31701 was new in FY17, it did not appear on the FY16 audited financial statements and did not trigger the need for a budget adjustment request. Management agrees that the cash carryover represented on the budget as designated cash should have been reduced based on actual cash in that fund. However, there were no actual deficits or overages in this fund as the school had \$0 in expenditures in all of FY17. This issue solely had to do with the budget process and the perceived potential to be able to over expend from this fund. The school's business manager will continue to utilize the audited financial statements to true up cash balances represented in the budget. Business Manager is responsible for implementation by 1/1/2018.

NEW AMERICA SCHOOL OF LAS CRUCES

No matters were reported

NEW MEXICO CONNECTIONS ACADEMY

2017-001 Lack of Segregation of Duties – (Significant Deficiency)

Condition: In a sample of five payments to administrators selected for testing it was noted that the principal approved her own travel requests, the reimbursement invoices, and signed the checks for the reimbursements. The check amounts were \$708, \$332, \$274, \$248, and \$244.

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NEW MEXICO CONNECTIONS ACADEMY (CONTINUED)

2017-001 Lack of Segregation of Duties – (Significant Deficiency) (continued)

Criteria: NMAC 6.20.2.12 requires that an organizational structure be in place, which separates incompatible activities to preclude control by any individual.

Effect: The potential for misappropriation of funds is present when one person is responsible for all phases of an accounting process.

Cause: The School operates with a limited staff size.

Auditor's Recommendation: The School should implement a system in where accounting activities are separated to the extent possible with its small staff size. The Principal should not be authorizing payments to herself or signing checks made payable to herself.

Management's Response: The Business Manager has put in place a new control procedure, which has been approved. The new procedure requires the Governing Council President to sign all Administrator reimbursements. The finding will be corrected for FY2018, by the Business Manager.

NEW MEXICO SCHOOL FOR THE ARTS

2017-001 Retiree Health Care Contributions (Other Compliance)

Condition: For June 2017, the monthly Retiree Health Care (RHC) contribution was made after the tenth day of the subsequent month.

Criteria: Monthly RHC contributions are required to be remitted no later than the 10th of the following month per NMSA 1978 10-7C-15.

Effect: New Mexico School for the Arts is not in compliance with New Mexico State Statutes in regards to RHC contributions being submitted timely.

Cause: Due to the change in the accounting department in June 2017, the subsequent payment was not in a timely manner by the School.

Recommendation: The School should develop a checklist with all month, quarterly and year end deadlines and make sure all applicable payments are being made timely. Timely payments would help the School avoid any late fees or charges.

Management's Response: New Mexico School for the Arts had a transition of business managers and a new accounting software implementation at the end/beginning of the fiscal year so gathering the information to prepare the report was a challenge. The NMRHCA was notified of the late report and the late submission of the remittance, which they approved; however, they don't have a formal extension-granting procedure that they issue to respond to any compliance question on late reporting and submission. Management will develop a checklist to make sure this won't happen again. Business Manager is responsible for implementation by 1/1/2018.

NORTH VALLEY ACADEMY

No matters were reported

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RED RIVER VALLEY CHARTER SCHOOL

2015-001 Chief Procurement Officer (Other Non-Compliance) Repeated and Modified

Condition: The School does not have a chief procurement officer.

This finding was reported in 2015 and 2016; however, progress has not been made in correcting the finding.

Criteria: NMSA 13-1-95.2 states "On or before January 1, 2015, the state purchasing agent shall establish a certification program for chief procurement officers that includes initial certification and recertification every two years for all chief procurement officers. In order to be recertified, a chief procurement officer shall pass a recertification examination approved by the secretary of general services."

Effect: The School is not in compliance with NMSA 13-1-95.2.

Cause: Due to the size of the School, it's difficult to find an individual with available time to go through the certification process.

Auditor's Recommendation: Ensure an individual from the School completes the certification program for chief procurement officers.

Management's Response: Red River Valley Charter School has a limited number of staff, and has struggled to find a staff member to attend the in person three-day training for Chief Procurement Officer that is only offered 200 miles away. The Head Administrator will coordinate with management to register and attend one of the limited offered trainings and register their certification with the State Purchasing Office by March 31, 2018.

2016-001 Retiree Health Care Contributions (Other Noncompliance) Repeated and Modified

Condition: We noted four instances where RHC remittances were made after the tenth day of the subsequent month. In addition, the monthly RHC contribution remittance form for the month of August 2016 could not be located. Beginning in January 2017, management made significant progress towards resolving this finding.

Criteria: Per NMSA 1978 10-7C-15, monthly RHC contributions are required to be remitted no later than the 10th of the following month.

Effect: The School is not in compliance with the Retiree Health Care Authority Act in regards to RHC contributions being submitted timely. In addition, support is not maintained.

Cause: Internal controls were not in place to ensure the monthly RHC contributions were submitted timely. For the first six months of the year, the School did not maintain support for RHC submissions which led to one report not being located.

Auditor's Recommendation: Internal controls should be implemented to ensure the monthly RHC contributions are submitted, documented and processed in a timely manner.

Management's Response: Red River Valley Charter School has parted ways with the Business Manager of record who was contracted to complete and remit the RHC reports. The School will revise their procedures to include receipt of contribution forms and backups prior to the existing control of dual approval to transmit the requisite electronic payments. The school's board will update the financial policies and procedures by March 31, 2018.

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RED RIVER VALLEY CHARTER SCHOOL (CONTINUED)

2017-001 Procurement (Other Non-Compliance)

Condition: The School did not follow their procurement policy when procuring construction services totaling \$66,147 as only one bid was obtained.

Criteria: NMAC 6.20.2.17 PURCHASING states A. Each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. Purchasing policies and procedures for grant funding shall comply with requirements established within the grant and the Procurement Code. An internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, state and federal regulations. The School's policy states "Professional services contracts exceeding \$50,000 require formal, sealed, competitive bids."

Effect: The School could be over paying for services.

Cause: Internal controls were not in place to ensure the School followed their procurement policy when obtaining a vendor for construction services.

Auditor's Recommendation: The School should follow its policies and procedures when obtaining professional services. In addition, consider updating the School's procurement policy to address situations where only one or two vendors will submit bids.

Management's Response: Red River Valley Charter school has established policies and procedures that adhere to NMAC 6.20.2.17. The school did advertise the opportunity for bids for the work in question as required. The school only received 1 response to the RFB process. The school will review and revise their financial policies and procedures to address the procedure when one or fewer responses are received to Requests for Bids, and Requests for Proposals. The school's board will update the financial policies and procedures by March 31, 2018.

2017-002 Budget Adjustment Request (Other Non-Compliance)

Condition: During our review of budget adjustment requests (BAR), two of four BAR's reviewed were not included in the Governing Council meeting minutes as having been discussed and approved prior to obtaining PED approval.

Criteria: Per NMAC 6.20.2.10 (A) Budget adjustment requests shall be submitted on the most current form prescribed by the department. The School shall maintain a log of all budget adjustment requests to account for status, numerical sequence, and timely approval at each level. The log is to be retained for audit purposes. As stated in the School's policies and procedures Budget and Budget Maintenance Section 4, "The charter school business manager shall present proposed budget adjustment requests as necessary to maintain a positive budget balance by object code."

Effect: When BARs are not first discussed with the Governing Council, this prevents the Governing Council from having accurate information regarding the budget in order to make decisions. The School is not in compliance with their policies and procedures.

Cause: The School did not follow internal policies and procedures. Alternatively, Governing Council minutes were not complete to include details of all items discussed and approved.

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RED RIVER VALLEY CHARTER SCHOOL (CONTINUED)

2017-002 Budget Adjustment Request (Other Non-Compliance) (continued)

Auditor's Recommendation: Ensure the Governing Council approves all BARs. In addition, we recommend that the minutes include necessary detailed information pertaining to all items discussed.

Management's Response: Red River Valley Charter School's board minutes exist to empower and inform all stakeholders to the items and actions taken by the school's governance body. Documents and minutes are maintained by both the school and the Governing Council's Secretary. The School's Governance Council will review the required information that is necessary to keep all stakeholders informed and ensure that this information is present in their meeting minutes by December 31, 2017.

2017-003 Lack of Internal Controls over Accounting Records (Material Weakness)

Condition: The School did not maintain supporting accounting documentation/records for the first six months of the fiscal year.

Criteria: NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Effect: The School is not in compliance with internal control structure standards and did not maintain key accounting records for the first six months of the fiscal year.

Cause: The School changed business managers as of January 1, 2017, but did not maintain the general ledger, check listing, check details, support for retiree and health care documentation, and other daily transactions.

Auditor's Recommendation: The accounting records are the property of the School and the School should ensure all accounting records are kept on file regardless of who the business manager is.

Management's Response: Red River Valley Charter School has parted ways with the Business Manager of record who was contracted to provide and maintain the schools financial accounting records, and did so on proprietary accounting software. The school has entered into a contract with an accounting firm to provide business management services in January of 2017. The contract with the new accounting firm lists the school as the owner of financial records under termination for convenience. Additionally, the school contracted with Harris School Solutions to provide an ongoing annual license for the Aptafund accounting software program in January of 2017.

RED RIVER VALLEY CHARTER SCHOOL (CONTINUED)

2017-004 Internal Control Structure (Significant Deficiency)

Condition: The School coded food costs in the amount of \$10,376 to salary expenditures. In addition, revenues from a federal grant in the amount of \$15,467 were improperly coded to student food service fees.

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RED RIVER VALLEY CHARTER SCHOOL (CONTINUED)

2017-004 Internal Control Structure (Significant Deficiency) (continued)

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, “every School district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.”

Effect: The School is not in compliance with NMAC 6.20.2.11.

Cause: Internal controls are not in place to ensure an adequate review of account coding.

Auditor’s Recommendation: Management should ensure an adequate review of account coding is performed prior to recording in the accounting system.

Management’s Response: Red River Valley Charter School has parted ways with the Business Manager of record who was contracted to provide and maintain the school’s financial accounting records. The school has entered into a contract with an accounting firm to provide business management services in January of 2017. Expenditures are reviewed for their effect on the budget monthly by both the finance committee and the full Governance Council monthly. Variances to budget are noted and reviewed during these reviews. In addition, purchase orders and invoices are entered and reviewed by different people to limit the possibility for human error. The school’s board will update the financial policies and procedures by March 31, 2018.

2017-005 Travel and Per Diem (Other Non-Compliance)

Condition: Based on our review of five travel expenditures, we noted the following:

- The principal is the only individual who approves travel expenditures, including their own.
- The School paid an employee \$202 for their compensation from jury duty and this was improperly recorded as an expenditure of the School. The School improperly recorded income of the School when a reimbursement was received for these monies.
- The School did not use the proper IRS mileage reimbursement rate when paying employees for travel. The rates they used were \$0.44 and \$0.45 when the correct rate was \$0.46.
- One instance where an individual was reimbursed \$36 for meals in one day when the actual limit was \$30, an excess of \$6.

Criteria: NMAC 2.42.2.11(b)(1) states that public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile at 80% of the IRS standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle. NMAC 2.42.2.8 B(3) provides that on the last day of travel when overnight lodging is no longer required, partial day reimbursement shall be made. To calculate the number of hours in the partial day, begin with the time the traveler initially departed. Divide the number of hours traveled by 24. The hours remaining constitute the partial day which shall be reimbursed as follows: a) For less than 2 hours, none; b) For 2 hours, but less than 6 hours, \$12; c) For 6 hours or more, but less than 12 hours,

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RED RIVER VALLEY CHARTER SCHOOL (CONTINUED)

2017-005 Travel and Per Diem (Other Non-Compliance) (continued)

\$20 d) For 12 hours or more \$30 Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, “every School district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management’s authorization and recoded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.”

Effect: The School is not in compliance with the per diem and mileage act and is under/ over paying employees for travel on behalf of the School.

Cause: The School did not ensure the correct IRS mileage reimbursement rate was used. In addition, the School did not ensure per diem amounts reimbursed to employees did not exceed the daily limit. Internal controls are not in place for approval of the principal’s travel expenditures and when recording travel expenditures related to employees jury duty.

Auditor’s Recommendation: The School should establish controls over travel expenditures to ensure they stay in compliance with the per diem and mileage act along with internal control structure standards.

Management’s Response: Red River Valley Charter School has parted ways with the Business Manager of record who was contracted to provide and maintain the school’s financial accounting records. The school has entered into a contract with an accounting firm to provide business management services in January of 2017. The school’s Governance Council reviewed and adopted a Travel and Per Diem policy in February of 2017. The school’s board will update the financial policies and procedures to reflect a process of oversight on administrative travel by March 31, 2018.

ROOTS AND WINGS COMMUNITY SCHOOL

2014-001 Timely Deposits (Compliance) Repeated and Modified

Condition: During our testwork over seventeen cash receipts we noted the following:

- One instance where a deposit in the amount of \$497 was not deposited within twenty-four (24) hours.
- Once instance where a deposit in the amount of \$5,000 was not properly documented and we were unable to determine how much time elapsed between the funds being received and being deposited at the bank.

This finding was reported in 2014, 2015, and 2016 but the School did not make adequate progress in ensuring cash receipts are deposited timely and are adequately documented with such documentation being properly maintained

Criteria: NMAC 6.20.2.14.C states, “money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.”

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ROOTS AND WINGS COMMUNITY SCHOOL (CONTINUED)

2014-001 Timely Deposits (Compliance) Repeated and Modified (continued)

Effect: The School is not in compliance with the states twenty-four hour deposit requirement.

Cause: Policies and procedures regarding timely deposit of cash receipts are not being followed and cash receipts are not always being properly documented.

Recommendation: Implement internal controls to ensure deposits are made and documented in accordance with cash receipting requirements.

Management's Response: The Business Manager is in the process of providing training to employees to ensure appropriate personnel are knowledgeable of applicable laws and regulations in regards to cash receipts. The Business Manager will work with the Finance Committee and Principal to implement procedures regarding the receipt and deposit of cash receipts. The Principal will enforce these procedures at the school level. The Business Manager and Finance Committee will review all cash receipts at the monthly Finance Committee meetings effective immediately.

2015-003 Internal Control Structure Over Cash Disbursements (Significant Deficiency) Repeated and Modified

Condition: During our testwork of twenty-eight disbursements, we noted the following:

- Two instances where the School procured goods or services prior to obtaining an approved purchase order.
- One disbursement where an invoice or other adequate support could not be provided for our review.

This finding was reported in 2015 and 2016 but the School did fully implement corrective action during 2017

Criteria: Section NMAC 6.20.2.17(A) requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.”

Effect: The School is not in compliance with state purchasing requirements which increases the risk for fraud and our abuse of public funds.

Cause: Internal controls are not in place to ensure compliance with State procurement policies and procedures.

Auditor's Recommendation: Strengthen internal controls over purchasing procedures to ensure that all purchases are approved in accordance with the School's policies and procedures and that adequate supporting documentation is received and maintained. Goods and/or services should not be procured until all required authorizing signatures are obtained.

Management's Response: The Business Manager will seek support from the Finance Committee and school Principal to ensure that all purchases are approved in accordance with the school's policies and procedures and

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ROOTS AND WINGS COMMUNITY SCHOOL (CONTINUED)

2015-003 Internal Control Structure Over Cash Disbursements (Significant Deficiency) Repeated and Modified (continued)

that adequate supporting documentation is received and maintained. Effective immediately by the Business Manager, goods and services will not be procured until all required authorizing signatures are obtained.

2017-001 Budgetary Conditions (Other Non-Compliance)

Condition: During our review of the School's budgetary comparison schedules we noted the following:

- Fund 14000 (Instructional Materials) did not balance its budget for fiscal year 2017. Budgeted expenditures exceeded budgeted revenues and the previous year cash carry-over balance by \$1,804.
- Fund 31100 (Bond Building) did not balance its budget for fiscal year 2017. Budgeted expenditures exceeded budgeted revenues and the previous year cash carry-over balance by \$318.

Criteria: Per NMAC 6.20.2.9 (A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2, NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information.

Effect: The School is out of compliance with New Mexico state statutes regarding budgets, which could result in deficit fund balances and unnecessary usage of funds to cover any deficits.

Cause: Previous year cash carry-over amounts were not sufficient to cover the budgeted deficit, and no budget adjustment request was completed to correct the budgeted expenditures in funds 14000 and 31100. Additionally, the budget in fund 24106 was not adjusted to cover the actual expenditures. There was sufficient revenue in this fund to cover these expenditures.

Auditors' Recommendation: We recommend that the School establish a policy where the budget is reviewed at the end of each quarter and give consideration to deficits and ensure that designated cash is available to cover any such budgeted deficit.

Management's Response: The Business Manager will work with the Finance Committee on a monthly basis to ensure that the budget does not have any deficits and ensure that designated cash is available to cover any such budgeted deficits. This new procedure has been implemented effective immediately, by the Business Manager.

2017-002 Account Reconciliations (Material Weakness)

Condition: We identified the following errors in the School's financial statements:

- Several year-end accrual adjustments were not recorded for the year-ended June 30, 2016. Fiscal year 2017 revenues and expenditures were therefore misstated, resulting in audit adjustments to correct these balances in certain funds. The audit adjustments made to previously reported fund balances amounted to \$95,640.
- Fund 23000 was previously reported as a special revenue fund of the School, but should have been reported as an agency fund.

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ROOTS AND WINGS COMMUNITY SCHOOL (CONTINUED)

2017-002 Account Reconciliations (Material Weakness) (continued)

Criteria: According to NMAC 6.20.2.11(A), "Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP".

Effect: The School internal control structure is not functioning as stated in NMAC 6.20.2.11(A). Financial statement balances were not reported correctly in accordance with GAAP, which required audit adjusting entries to correct fund balances in certain funds.

Cause: The School did not perform an adequate review of its annual financial statements to ensure that all significant year-end accrual adjustments were posted and that all funds were reported correctly.

Auditors' Recommendation: The School should ensure that all year-end accrual adjustments are made in accordance with GAAP. Additionally, the School should perform a detailed review of each fund's financial statements to ensure that fund balances appear reasonable prior to the financial statements being issued.

Management's Response: The Business Manager will review the financial statements/funds and ensure that year-end accrual adjustments are posted correctly before the fiscal year is closed in the financial system and to ensure no material audit adjustments have to be made by the auditors. The Business Manager will ensure that payroll is properly accrued for at year-end and that funds are properly reported by fund type. The Business Manager will record the audit adjustments and ensure the School's records reconcile to the audit by November 30, 2017.

2017-003 Internal Control Structure over Payroll (Significant Deficiency and Non-Compliance)

Condition: During internal control testwork over a sample of 28 payroll transactions, we noted the following:

- One instance of an incomplete Federal Form I-9
- One instance of an incomplete W-4 and another instance of a missing W-4
- Four instances where a Personnel Action Form (PAF) was not available for our review.
- One instance where the amount of health insurance withheld from the employee was incorrect as the amount was not updated for the premium rates.

Criteria: NMAC 6.20.2.18 requires that schools maintain and have available for inspection the following employee record documentation: employee contracts, personnel/payroll action forms, certification records, employment eligibility verification (Federal Form I-9), pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Effect: The School is not in compliance with New Mexico State Statutes in regards to employee record documentation. For the one instance noted above the School is not in compliance with RHC requirements due to the incorrect health insurance amount withheld.

Cause: The School is not reviewing the personnel files for compliance with State Statues and controls are not in place to ensure all required employees and the School are contributing to RHC, where required.

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ROOTS AND WINGS COMMUNITY SCHOOL (CONTINUED)

2017-003 Internal Control Structure over Payroll (Significant Deficiency and Non-Compliance) (continued)

Auditors' Recommendation: Personnel files should be periodically reviewed to ensure all required personnel file documents have been obtained and are complete and accurate. The School should ensure controls are in place to obtain required payroll documents when employees initially begin employment. Controls should also be implemented to ensure deductions and contributions are properly entered into the payroll system. Periodic reviews should be performed for all employees to ensure deductions are properly calculated and entered.

Management's Response: The Business Manager will work with the school's Office Manager to ensure that all personnel file documents have been obtained, are complete and accurate and also ensure this is done at the time a new employee is hired. A checklist will be included in the employee file to ensure that all personnel file documents are completed timely and accurately. The Business Manager will review the files monthly to ensure the files are complete and accurate. All files will be reviewed and issues corrected by December 31, 2017 by the Business Manager.

2017-004 Staff Qualifications (Non-Compliance)

Condition: During internal control testwork over a sample of 28 payroll transactions, we noted the following:

- One substitute teacher that did not have a license from the Public Education Department.
- Two substitute teachers that did not have a background check on file.

Criteria: NMAC 6.61.2 through 6.61.12 (Chapter 61) outlines the various licensure requirements for persons seeking an instructor's license and background checks should be completed for all individuals hired for sensitive positions and in accordance with written policies and procedures as established by the Governing Council.

Effect: The School is not in compliance with applicable requirements of Chapter 61 for the instructors noted above. Additionally, the School is not in compliance with requirements to have background checks completed.

Cause: The School did not have internal controls in place to ensure all required documentation was obtained prior to hiring the instructors and substitute instructor noted above and a process is not in place that would provide periodic reviews of employee personnel files to ensure they are complete.

Auditors' Recommendation: Develop and implement internal control procedures to ensure all required documents are obtained prior to an employee starting employment with the school. Personnel files should be reviewed periodically to ensure all required employment documents have been obtained and that such documents are complete and accurate.

Management's Response: The Business Manager will work with the Finance Committee and the Principal to develop internal control procedures to ensure all required documents are obtained prior to an employee starting employment with the school. Procedures will be implemented by November 30, 2017 by the Business Manager.

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SAGE MONTESSORI CHARTER SCHOOL

2014-002 Personnel Files (Other Non-Compliance) Repeated and Modified

Condition: During our testwork over twenty-five payroll transactions, we noted the following:

- One employee tested did not have a teacher certification on file or verifiable through online licensure lookup.
- Eight employees tested did not have proof that a background check was conducted.

A finding related to personnel files was reported in 2016, 2015 and 2014, and the School is now closed.

Criteria: According to NMAC 6.20.2.18, the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts, personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Effect: The School is not in compliance with NMAC Section 6.20.2.18.

Cause: Internal controls were not in place to ensure required documentation is obtained and/or properly maintained for all employees.

Auditor's Recommendation: Personnel files should have been periodically reviewed to ensure all required personnel file documents were obtained and were complete and accurate. The School should have had controls in place to obtain required payroll documents when employees initially began employment.

Management's Response: Due to the school closing we could not locate the background checks for all employees. The business office only received the current employee files that were employed at the end of the year.

2017-001 Disposition of Property (Other Non-Compliance)

Condition: The School disposed of all its computers during the School closure process. However, the State Auditor was not notified at least thirty days prior to disposing of these computers. Additionally, no support for the method of disposal could be provided.

Criteria: According to Section 13-6-1(B) NMSA 1978, the School should give notification at least thirty days prior to its action making the deletion by sending a copy of its official finding and the proposed disposition of the property to the state auditor and the appropriate approval authority.

Effect: The School is not in compliance with Section 13-6-1(B) NMSA 1978.

Cause: The disposals occurred as part of the School closure process, therefore the School did not notify the state auditor of these disposals.

Auditor's Recommendation: Ensure that any future disposals of property follow the requirements of Section 13-6 NMSA 1978, including notifying the state auditor at least thirty days prior to any future disposals of property.

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SAGE MONTESSORI CHARTER SCHOOL (CONTINUED)

2017-001 Disposition of Property (Other Non-Compliance) (continued)

Management's Response: The school closed June 30, 2017. Under PED's closing process they had a contractor come in and help with the disposition of property for the school.

2017-002 Budget Compliance (Other Non-Compliance)

Condition: The School over-expended its budget at the function level as follows:

IDEA B Fund (24106)

Support Services – Students \$533

Criteria: According to 6.20.9 NMAC, every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2, NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed.

Effect: The School is not in compliance with 6.20.9 NMAC.

Cause: Budgetary controls were not in place to ensure that budgets were not over-expended.

Auditor's Recommendation: The School should regularly review actual expenditures against its operating budget to ensure that budgets are not over-expended.

Management's Response: The business office failed to enter one last BAR before the school officially closed.

2017-003 Internal Control Structure over Cash Disbursements (Significant Deficiency)

Condition: During our testwork of twenty-five disbursements, we noted the following:

- One disbursement totaling \$1,478 that exceeded the authorized purchase order amount by \$50.
- During fiscal year 2017, the School purchased a computer for \$500 from an individual. However, the School could not locate the signed purchase order or the invoice to support the purchase.

Criteria: According to NMAC 6.20.2.17(A), an internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, and state and federal regulations.

Effect: The School is not in compliance with NMAC 6.20.2.17.

Cause: The School did not follow purchasing policies and procedures and internal controls were not in place to ensure proper support was obtained to support cash disbursements.

Auditor's Recommendation: Ensure proper approval and support is maintained for all purchases.

Management's Response: All purchase orders were signed by the Business Manager after an approved requisition was received by the school. The school could not obtain a proper invoice for the computer that was purchased, only a cash receipt.

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SAGE MONTESSORI CHARTER SCHOOL (CONTINUED)

2017-004 Cash Receipts (Other Non-Compliance)

Condition: During our testwork of ten cash receipts, we noted the following:

- Five cash receipts lacked evidence supporting when the funds were actually received by the School.
- One cash receipt of \$95 was not deposited until twenty-one days after receipt of the funds.

Criteria: According to NMAC 6.20.2.14, money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. Additionally, a cash receipts journal should be used for each fiscal year to support deposit amounts and dates.

Effect: The School is not in compliance with NMAC 6.20.2.14.

Cause: Internal controls were not in place to ensure that cash receipts are properly supported and deposited timely.

Auditor's Recommendation: Ensure that proper support is maintained for all cash receipts and that deposits are made in accordance with the School's policy and NMAC 6.20.2.14.

Management's Response: With the closure of the school and all the school documents not being in one place, we could not locate the backup for all the cash receipts.

2017-005 Chief Procurement Officer (Other Non-Compliance)

Condition: The School did not meet the requirement to have a Chief Procurement Officer during the fiscal year.

Criteria: According to 1.4.1.94 NMAC, on or before January 1, 2014, and every time thereafter that a chief procurement officer is hired, each state agency and local public body shall provide to the state purchasing agent the name of the state agency's or local public body's chief procurement officer and information identifying the state agency's or local public body's central purchasing office. In order to be certified and recertified, a chief procurement officer shall obtain such education and training as deemed appropriate by the secretary of the general services department and pass a certification or recertification examination

Effect: The School is not in compliance with 1.4.1.94 NMAC.

Cause: Internal controls were not in place to ensure that the School had a Chief Procurement Officer with all required certifications.

Auditor's Recommendation: An individual from the School should have completed the certification program for chief procurement officers.

Management's Response: With changes in the administration, the new administrator was unable to schedule a time with the limited trainings available.

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SAGE MONTESSORI CHARTER SCHOOL (CONTINUED)

2017-006 Budget Adjustment Requests (Other Non-Compliance)

Condition: During our testwork over budget adjustment requests (BAR), we noted one of four BAR's reviewed was not included in the Governing Council meeting minutes as having been discussed and approved prior to obtaining PED approval.

Criteria: Per review of the School's policies and procedures *Section II-Budget 2(f)*, "Once approved by the Head Administrator, the proposed modified budget is submitted to the Governing Body for approval at a scheduled meeting. If the changes are approved, the approval is noted in the meeting minutes. A budget adjustment request is then submitted either electronically or manually to the PED for approval."

Effect: The School is not in compliance with their policies and procedures.

Cause: The Governing Council minutes did not document the approval of the above mentioned BAR.

Auditor's Recommendation: Ensure the Governing Council approves all BAR's prior to the submission to PED and that the approval is documented in the meeting minutes.

Management's Response: The School is now closed but we believe the BAR was discussed and approved at the meeting but not documented in the meeting minutes.

SANDOVAL ACADEMY FOR BILINGUAL EDUCATION

2016-001 Procurement (Other Non-Compliance) Repeated and Modified

Condition: The School did not have a Chief Procurement Officer (CPO) for the months of July 2016 through February 2017. Has made progress and resolution for this finding.

Criteria: NMSA 13-1-95.2 states "On or before January 1, 2015, the state purchasing agent shall establish a certification program for chief procurement officers that includes initial certification and recertification every two years for all chief procurement officers. In order to be recertified, a chief procurement officer shall pass a recertification examination approved by the secretary of general services."

Effect: The School is not in compliance with NMSA 13-1-95.2.

Cause: The School did not register a CPO that had taken the certification course with the State of New Mexico General Services Department.

Auditor's Recommendation: Ensure an individual from the School or associated with the School completes the certification program for chief procurement officers.

Management's Response: In FY 2017, Sandoval Academy of Bilingual Education's Head Administrator was unable to become a CPO until February 2017, which was previously stated in the school's FY 2016 audit. Sandoval Academy of Bilingual Education is aware of the state statute and will have the new Administrator certified by February 2018. The new Administrator has attempted to become CPO certified before then but was unable to due to limited class availability. Documentation will be provided showing the Administrators attempts of becoming certified by February 2018 to avoid a repeat finding next year.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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Year Ended June 30, 2017**

SANDOVAL ACADEMY FOR BILINGUAL EDUCATION (CONTINUED)

2017-001 Cash Receipts (Other Matters)

Condition: During our review of eight cash receipts, we noted that four deposits lacked proper supporting documentation for cash amounts received for various fundraisers.

Criteria: NMAC 6.20.2 states “School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) and the Uniform Guidance, and applicable state and federal laws and regulations.”

Effect: The School is not in compliance with NMAC 6.20.2.

Cause: Internal controls were not in place to ensure that adequate support for cash receipts was maintained in accordance with NMAC 6.20.2.

Auditor’s Recommendation: The School should ensure that internal controls are in place to ensure that receipts are issued for all cash receipts to properly safeguard the School’s assets.

Management’s Response: Sandoval Academy of Bilingual Education will update their school’s current policy by November 9, 2017 to ensure deposits have proper supporting documentation for each cash amount received for various fundraisers. Once these controls are completed they will be implemented by 1/1/18 the Head Administrator and Office Manager.

2017-002 Cash Disbursements (Other Non-Compliance)

Condition: During our review of twenty-five cash disbursements, we noted to following:

- One instance, in the amount of \$232.16, where the School paid sales tax for tangible items.
- One instance where the payment was made off of a statement that did not include detailed invoices.

Criteria: Per NMAC 3.2, School districts are exempt from paying sales tax on tangible items. Further, per NMAC 6.20.2.11 (A) Internal Control Structure Standards, “every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and polices that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.”

Effect: The School is not in compliance with State Statutes.

Cause: Procedures were not in place to ensure that the School was not paying sales tax on tax except items and proper support was obtained for purchases.

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SANDOVAL ACADEMY FOR BILINGUAL EDUCATION

2017-002 Cash Disbursements (Other Non-Compliance) (continued)

Auditor's Recommendation: The School should ensure that internal controls are in place to ensure that the School's purchase requisitions are submitted with a request for a Non-taxable Transaction Certificate (NTTC) and the review process adequately identifies items that are non-taxable and detail support of purchases is reviewed and approved prior to the disbursement of funds.

Management's Response: Sandoval Academy of Bilingual Education will ensure that an NTTC is issued with every purchase order that is for tangible items. Sandoval Academy of Bilingual Education will also make sure that all payments to vendors will be made only if the school receives an invoice not a statement. Sandoval Academy of Bilingual Education is aware of the state statute so these processes should be implemented as of December 1, 2017, by the Business Manager.

SCHOOL OF DREAMS ACADEMY

2015-001 Controls Over Cash Disbursements (Other Matter) Repeated and Modified

Condition: Through testing procedures performed, we noted the following:

- In a sample of 25 disbursements tested, we noted an incorrect GL coding for a total disbursement amount of \$570.85.
- In a sample of 3 administrator's disbursements, we noted one receipt totaled \$115.09, however the school reimbursed \$126.71.
- In a sample of five credit card transactions we noted two instances in which SODA was not able to provide sufficient documentation supporting purchases totaling \$269.15.

No progress has been made in the current year in regard to this finding.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Effect: Without proper approval and supporting documentation, purchases for unauthorized goods or services may occur.

Cause: Processes and procedures in place were by-passed by those involved in the purchasing process.

Auditor's Recommendation: We recommend that SODA develop and implement internal controls over purchasing procedures to ensure that all purchases are approved in accordance with SODA policies and procedures. Goods and/or services should not be ordered by the Administrative Assistant or Principal until all required authorizing signatures are obtained.

Management's Response: Administration along with the finance committee and business manager will to improve, strengthen and implement the internal controls structure on any purchases and general ledger coding. This will have to be an ongoing process and on any changes in any new staff. Business Manager, will corrected by 6/30/18.

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SCHOOL OF DREAMS ACADEMY (CONTINUED)

2015-002 Expenditures Exceed Budget (Other Matter) Repeated and Modified

Condition: The Charter has expenditure functions where actual expenditures exceeded budgetary authority:

Fund	Excess of Expenditures over Appropriations
General (11000) Instruction	(154,349)
General (11000) Operation and Maintenance of Plant	(83,033)
Pupil Transportation (13000) Student Transportation	(24,267)

No progress has been made in the current year in regards to this finding.

Criteria: Per NMAC 6.20.2.9 every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2 NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed.

Effect: The School is out of compliance with New Mexico state statute and the control established by the use of budgets has been compromised, which could result in deficit fund balances and unnecessary usage of operating funds to cover the over-expenditures.

Cause: A budget adjustment request (BAR) was not submitted to account for additional expenditures incurred.

Auditor’s Recommendation: We recommend the School establish a policy of budgetary review at the end of each quarter and have the board approve the necessary budgetary adjustments to ensure funds are not over expended.

Management Response: Administration and Business Manager will improve communication to meet the budgetary adjustment requirement to ensure funds are not over expended. The Pupil Transportation of \$24,267.00 was NMPED requested return of cash and Special Capital Outlay 31400 \$60,900 was approved cash transfers, all documentation was with transaction. The responsible party, Business Manager, will corrected by 6/30/18.

2017-001 Financial Close and Reporting (Material Weakness)

Condition: During our testwork over the financial close and reporting process it was noted that the Charter has not implemented an effective financial close and reporting process for the year ended June 30, 2017. During our testwork over fund balance, we noted that prior year activity of approximately \$459,686 was incorrectly closed to accounts payable rather than fund balance.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, “every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.”

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SCHOOL OF DREAMS ACADEMY (CONTINUED)

2017-001 Financial Close and Reporting (Material Weakness) (continued)

Effect: Lack of proper financial close can lead to unreliable account balances and material misstatement to the financial statements.

Cause: SODA closed prior year activity to accounts payable and did not review fund balances to ensure each fund was properly closed.

Auditor's Recommendation: We recommend the Charter review fund balances at year end to ensure each fund is properly closed.

Management Response: Administration, finance committee and management will review fund balance at year end to ensure it is closed properly. Management reported the glitch to the accounting software vendor to assist that the glitch is corrected. The responsible party, Business Manager, will corrected by 6/30/18.

2017-002 PED Cash Report – (Non-Compliance and Other Matter)

Condition: During our testwork it was noted that current year activity and ending balances on the fourth quarter cash report does not agree to the trail balance.

Criteria: According to State regulation 6.20.2.11 (B) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger. Per the New Mexico State Audit Rule, the audit report of each school district shall include a cash reconciliation schedule which reconciled the cash balance as of the end of the previous fiscal year to the cash balance at the end of the current fiscal year.

Effect: The Charter's reporting to PED is not correct and PED does not have an accurate reflection of the schools cash balances.

Cause: The Charter does not have a process in place to ensure that bank accounts are being properly reconciled to the general ledger and to the PED cash report.

Auditor's Recommendation: We recommend that policies and procedures be implemented to ensure that all adjustments be completed before the final reports are submitted to the department. Additionally, an individual should review the report to ensure that the report matched the general ledger and the cash accounts as appropriate.

Management's Response: Review will be put into place to implement policies and procedure are completed properly upon submittal of final reports to the NMPED. The responsible party, Business Manager, will corrected by 6/30/18.

2017-003 Payroll & Personnel Files (Compliance)

Condition: During internal control testwork over a sample of 25 payroll transactions, we noted one instance in which the instructor's personnel file was missing a valid teaching certificate.

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PUBLIC EDUCATION DEPARTMENT
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SCHOOL OF DREAMS ACADEMY (CONTINUED)

2017-003 Payroll & Personnel Files (Compliance) (continued)

Criteria: NMAC 6.61.2 through 6.61.12 (Chapter 61) outlines the various licensure requirements for persons seeking an instructor's license.

Effect: The School is not in compliance with applicable requirements of Chapter 61 for the instructor listed above.

Cause: The School did not have internal controls in place to ensure all required documentation was obtained prior to hiring the instructor.

Auditor's Recommendation: We recommend the School to implement internal control procedures to ensure all instructors are properly licensed prior to hiring.

Management's Response: Administration has re-organized the HR Department to ensure that ALL proper documentation is on file in all personal records. The responsible party, Business Manager, will corrected by 6/30/18.

2017-004 Timely Deposits (Compliance)

Condition: During our cash receipts testing, we noted 3 out of 22 deposits tested were not deposited within 24 hours of receipt for a total of \$926.

Criteria: Section NMAC 6.20.2.14.C states that "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day."

Effect: Cash could go missing causing students to not retain the benefit of the funds received.

Cause: The School did not have internal controls in place to ensure all receipts were deposited within 24 hours.

Auditor's Recommendation: We recommend that policies and procedures be implemented that tracks and maintains all items relating to cash receipts and ensures deposits are made timely.

Management's Response: Administration has re-organized the deposit procedure so this will align with the policies in place. This will help ensure that all deposits meet the 24 hour rule. The responsible party, Business Manager, will corrected by 6/30/18.

2017-005 ERB Contributions (Compliance)

Condition: We noted the School did not properly calculate and remit the correct amounts to ERB for employer and employee contributions. We noted one month's contribution in which the Charter underpaid contributions totaling \$79.92.

Criteria: Chapter 22, Article 11 NMSA 1978 "Educational Retirement Act" established guidelines for contributions and the calculation of qualifying wages.

Effect: The Charter is not in compliance with the Educational Retirement Act referenced above.

Cause: The Charter did not use the appropriate methodology for determining wages for ERB contributions in accordance with ERB guidance.

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SCHOOL OF DREAMS ACADEMY (CONTINUED)

2017-005 ERB Contributions (Compliance) (continued)

Auditor's Recommendation: The School should implement internal controls to ensure the appropriate amounts are remitted to ERB each month.

Management's Response: Management will review and ensure that all records and report are on file that will meet the ERB reporting requirements. ERB requests will need to have completed approved documentation with transaction. The responsible party, Business Manager, will corrected by 6/30/18.

2017-006 Travel & Per Diem (Compliance)

Condition: During our testwork of disbursements made to administrators, we noted one instance error which the Charter reimbursed an employee \$11.62 for meals without supporting documentation.

Criteria: NMAC 2.42.2.9 "New Mexico Per Diem and Mileage Act" establishes the requirement for actual reimbursement for meals. "The public officer or employee must submit receipts for the actual meal and lodging expenses incurred. Under circumstances where the loss of receipts would create a hardship, an affidavit from the officer or employee attesting to the expenses may be substituted for actual receipts. The affidavit must accompany the travel voucher and include the signature of the agency head or governing board."

Effect: The School is not in compliance with the New Mexico Per Diem and Mileage Act.

Cause: The School overlooked recalculation and review of employee travel request receipts.

Auditor's Recommendation: The School should ensure they have policies in place to ensure that all travel related reimbursements are made and supported in accordance with New Mexico Per Diem and Mileage Act.

Management's Response: Administration will assist along with Managements that all receipts are on file before disbursement will be made. Internal controls structure will be revisited. The responsible party, Business Manager, will corrected by 6/30/18.

2017-007 Journal Entries (Non-Compliance and Other matters)

Condition: During our testwork over journal entries we noted that journal entries totaling approximately \$206,144 are not being reviewed and approved by an individual other than the preparer of the journal entries.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Effect: Lack of review of journal entries or lack of supporting documentation can lead to an increased risk of fraud or improper posting of journal entries. The posting of journal entries to the incorrect fund or journal entries that do not balance can cause material misstatement to the financial statements. The business manager could make entries that could be inappropriate and would not be detected or corrected.

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SCHOOL OF DREAMS ACADEMY (CONTINUED)

2017-007 Journal Entries (Non-Compliance and Other matters) (continued)

Cause: The school's business manager performed all functions related to journal entries and does not utilize the finance committee.

Auditor's Recommendation: We recommend that the finance committee review all journal entries prior to being posted by the Business Manager to help ensure they are being posted to the correct fund amounts are supported by documentation.

Management's Response: In review, all entries are reviewed and signed off by Administration, Management and Finance personal who enters the JE's. This is a policy that is required and will be carefully reviewed that documents are not missed. The responsible party, Business Manager, will corrected by 6/30/18.

2017-008 Bank Reconciliations (Non-Compliance and other matters)

Condition: We noted during our testing of cash that that two of the three cash reconciliations reviewed were not accurate. In one of the cash reconciliations, we identified a check totaling \$16,420 that was improperly excluded in the outstanding check listing. In the other reconciliation we noted a discrepancy in the actual bank balance per bank statement and the balance reported per the cash reconciliation (variance of \$957.38).

Criteria: According to 6.20.2.11 (B) (6), NMAC, "School districts shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparisons of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports."

Effect: The School could be misstating revenues and expenses when reporting budget amounts to the department and misstating the cash balance in its quarterly cash reports submitted to the department.

Cause: Management did not review a check dated on June 30, 2017 and improperly classified the check in the reconciliation statement. The School did not exercise proper oversight over the preparer of the bank reconciliation. The lack of oversight lead to the discrepancies not being detected or resolved in a timely manner.

Auditor's Recommendation: We recommend the School reconcile bank accounts monthly to the general ledger and that all reconciliations be properly reviewed.

Management's Response: Management and finance will review and make sure that all the proper documentation is provided and reviewed. All bank statements are reviewed monthly and signed off by Administration and Management. The responsible party, Business Manager, will corrected by 6/30/18.

THE FOUNDATION FOR SCHOOL OF DREAMS ACADEMY

2017-001 Controls over Cash Disbursements (Other Matter)

Condition: During our review of samples of cash disbursements, we noted two instances in which the Foundation was unable to provide supporting documentation for the transactions. There was not sufficient documentation to determine if the amount paid to this individual was correct.

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THE FOUNDATION FOR SCHOOL OF DREAMS ACADEMY (CONTINUED)

2017-001 Controls over Cash Disbursements (Other Matter) (continued)

Criteria: Per sound accounting standards an entity shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

Effect: Cannot determine if the Foundation disbursed funds aligned with internal control policies.

Cause: The Foundation was unable to locate documentation for cash disbursements and internal controls were not in place to ensure supporting documentation was properly maintained.

Auditor's Recommendation: The Charter should ensure they have policies in place to ensure that all travel related reimbursements are made and supported in accordance with New Mexico Per Diem and Mileage Act.

Management's Response: Management has reviewed and will put policies in place to ensure that all disbursements has the proper documentation. The responsible party, Business Manager, corrected by 6/30/18.

SIX DIRECTIONS INDIGENOUS SCHOOL

2017-001 Internal Control Structure – (Material Weakness)

Condition: A Random sample of forty disbursements was selected for testing. The following items were noted in this sample:

- There were ten instances totaling \$28,754 where a Purchase Order was either not prepared or could not be located.
- There were seven instances totaling \$5,100 where a Purchase Requisition was either not prepared or could not be located.
- There were four instances totaling \$6,863, where both a Purchase Requisition and Purchase Order were either not prepared or could not be located.
- There were six instances totaling \$17,078, where no documentation supporting the purchase was available.
- There were two reimbursements to employees totaling \$3,196, where the Reimbursement Form was not available for review.
- There was one reimbursement to an employee for \$3,939 where there was a Reimbursement Form available; however, the Principal did not sign it.
- There were four instances totaling \$9,957, where the Purchase Order was dated after the vendor's invoice date.
- There was one payment for \$48, but the supporting documentation totaled \$43.
- There were five instances totaling \$5,936, where a copy of the canceled check was not available for review.
- We also noted that not all journal entries for the fiscal year were available for review.

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SIX DIRECTIONS INDIGENOUS SCHOOL (CONTINEUD)

2017-001 Internal Control Structure – (Material Weakness) (continued)

Criteria: NMAC 2.42.6.20.2.11 requires that schools establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use. "The internal control structure shall include written administrative controls (rules, procedures, practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP." In addition, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states, "the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction."

Effect: Unsupported cash disbursements put the School at risk for unauthorized purchases or for fraud.

Cause: Fiscal year 2017 was the first year of existence for Six Directions Indigenous School. The School transitioned through several Business Managers and two accounting systems. Personnel did not follow established procurement policies of the School.

Auditor's Recommendation: The School should review its internal control policies over financial matters and continue to educate all staff on what those policies are. The School should strive to maintain better records of its financial transactions. All cash disbursements should be properly supported.

Management's Response: The school had changes in Business Managers and Administration, we will work together to educate staff on the policies and procedures. The school also switched financial software mid-year and we were unable to access the old software. The school administration and Business Manager will work together to get this completed by June 2018.

2017-002 Chief Procurement Officer – (Compliance)

Condition: It was noted that the school did not have a Chief Procurement Officer in place for the year ended June 30, 2017.

Criteria: Per 13-1-95.2.A NMSA 1978, "On or before January 1 of each year beginning in 2014, and every time a chief procurement officer is hired, each state agency and local public body shall provide to the state purchasing agent the name of the state agency's or local public body's chief procurement officer and information identifying the state agency's or local public body's central purchasing office, if applicable." Section 13-1-95.2.D NMSA 1978 also requires that the Chief Procurement Officer obtain an initial certification as well as recertification every two years.

Effect: The school is out of compliance with New Mexico statutes requiring the training, certification, and reporting of a Chief Procurement Officer.

Cause: The school has not designated or obtained the necessary training and certification necessary for any of its employees to be a Chief Procurement Officer since the departure of its former Chief Procurement Officer.

Auditor's Recommendation: The School should designate an individual with the appropriate skill set and position within the school to be its Chief Procurement Officer. This individual should obtain the necessary

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SIX DIRECTIONS INDIGENOUS SCHOOL (CONTINUED)

2017-002 Chief Procurement Officer – (Compliance) (continued)

certification as soon as possible. Upon certification of a Chief Procurement Officer, the school should register this individual on the New Mexico General Services Department website.

Management's Response: The school had changes in Business Managers and Administration. The school administration will work to get this completed by June 2018.

2017-003 Personnel Files – (Compliance)

Condition: In a payroll test of six personnel files, we noted the following items:

- Three personnel files were missing the Form I-9.
- One personnel file included a partially completed Form I-9.
- Two personnel files were missing evidence that a background check has been completed.
- Two personnel files were missing evidence of proper licensure/certification.
- One employee's contract on file did not have the signature of the School's Head Administrator.
- The contract for the School's Head Administrator was not signed by the Governing Council President.

Criteria: NMAC 6.20.2.18 requires that schools maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (Federal Form I-9), federal and state withholding certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Effect: The School is not in compliance with New Mexico State Statutes in regards to employee record documentation.

Cause: School is not properly maintaining personnel files or reviewing them to make sure they are in compliance with the required statutes.

Auditor's Recommendation: The School should review all personnel files to ensure that required documentation required by NMAC 6.20.2.18 is available.

Management's Response: The school had changes in Business Managers and Administration, we will work together to review the policies and procedures. The school administration and Business Manager will work together to get this completed by June 2018.

2017-004 Audit Committee Member (Compliance)

Condition: During our test-work, we noted that the school did not have all four required audit committee members during the year.

Criteria: Per NM State Statute 22-8-12.3: "Each local school board shall appoint an audit committee that consists of two board members, one volunteer member who is a parent of a student attending that school district and one volunteer member who has experience in accounting or financial matters. The superintendent and the school district business manager shall serve as ex-officio members of the committee. "

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SIX DIRECTIONS INDIGENOUS SCHOOL (CONTINUED)

2017-004 Audit Committee Member (Compliance) (continued)

Effect: The school is not in compliance with state statute.

Cause: The school has failed to recruit all required audit committee members during the fiscal year.

Auditor's Recommendation: We recommend the school recruit all required members as soon as possible for the audit committee to meet state statute requirements.

Management's Response: The school had changes in Business Managers and Administration, we will work with the GC to ensure that they have an audit committee in place. The school administration and GC will work together to get this completed by June 2018.

2017-005 Annual Inventory (Compliance)

Condition: The School did not perform an annual inventory of its capital assets during fiscal year 2017.

Criteria: Section 12-6-10 (A) NMSA 1978 requires each agency to conduct an annual physical inventory of moveable chattels and equipment on the inventory list at the end of each fiscal year. The agency shall certify the correctness of the inventory after the physical inventory. This certification should be provided to the School's auditors.

Effect: The School is not in compliance with state requirements regarding capital asset inventory.

Cause: Internal controls are not in place to ensure an annual inventory is performed.

Auditor's Recommendation: On an annual basis, complete an inventory of the School's capital assets.

Management's Response: The school had changes in Administration last year and the inventory was not completed. The school administration will get this completed by June 2018.

SOUTH VALLEY PREPARATORY SCHOOL

2017-001 Audit Committee – (Compliance)

Condition: During our testing of compliance with key provisions of the Public School Finance Act we noted the school does not have a parent member serving on the school's audit committee.

Criteria: Per the Public School Finance Act Section 22-8-12.3 NMSA 1978, each local school board shall appoint an audit committee that consists of two board members, one volunteer member who is a parent of a student attending the school and one volunteer member who has experience in accounting or financial matters.

Effect: The school is not in compliance with state statute.

Cause: The school has made multiple attempts to recruit a parent to serve on the audit committee but has been unsuccessful.

Auditor's Recommendation: We recommend the school work with their board and parents to recruit all required members.

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SOUTH VALLEY PREPARATORY SCHOOL (CONTINUED)

2017-001 Audit Committee – (Compliance) (continued)

Management's Response: South Valley Preparatory School Administrator has been actively seeking a parent volunteer for this committee. We hope to have a parent on this committee by Mid-April when we are preparing for the FY2018 Audit. Business Manager is responsible for implementation by 4/1/2018.

2017-002 Internal Control – (Significant Deficiency)

Condition: During our testing of forty cash disbursements and twenty five cash receipts we noted the following:

- There was one instance in the amount of \$30.00 in which the school did not issue a receipt for a check received.
- There was on instance in the amount of \$20.00 in which the '\$10 and under log' was left blank with just a dollar value written at the bottom of the page.
- Cash collected by students as part of student activity fundraisers is not being reconciled.

Criteria: NMAC 2.42.6.20.2.11 requires that schools establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use. "The internal control structure shall include written administrative controls (rules, procedures, practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Effect: Not being in compliance with the School's internal control procedures for purchasing places the School at risk for fraud or misuse of public funds.

Cause: School personnel did not follow established policies of the School.

Auditor's Recommendation: The School should follow its established internal control procedures.

Management's Response: South Valley Preparatory school staff has received proper training on our Activity Policies and Procedures as well as our Cash Receipts policies and procedures. They are now following the proper procedures for collecting and submitting funds to the business office with the appropriate forms to reconcile all monies received for activities. Business Manager is responsible for implemented on 10/1/2017.

SOUTHWEST AERONAUTICS, MATHEMATICS AND SCIENCE ACADEMY

2016-003 Controls Over Cash Disbursements – (Significant Deficiency) Repeated and Modified

Condition: In 2 out of 25 disbursements tested, the purchase order was dated after the invoice date, indicating that the purchase was not properly approved before it was made. The amount of the 2 disbursements noted equals \$607.75.

The school has been making progress, new policies were drafted at the end of FY17.

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for

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SOUTHWEST AERONAUTICS, MATHEMATICS AND SCIENCE ACADEMY (CONTINUED)

2016-003 Controls Over Cash Disbursements – (Significant Deficiency) Repeated and Modified (continued)

Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.”

Effect: Without proper approval, purchases for unauthorized goods or services may occur.

Cause: Processes and procedures in place were by-passed by those involved in the purchasing process.

Auditor’s Recommendation: We recommend the School strengthen internal controls over purchasing procedures to ensure that all purchases are approved in accordance with School policies and procedures. Goods and/or services should not be ordered until all required authorizing signatures are obtained.

Management’s Response: The Southwest Aeronautics, Mathematics, and Sciences Academy has developed a detailed financial policies and procedures manual. In the school’s current status in corrective action with the state, contracts must be prepared and reviewed by the school, then transmitted to the PED to be reviewed and then approved by the Deputy Secretary of Education after which they are sent back to the school to be included in a request for a Purchase Order that is sent to the PED again. This process leaves small time for items that are overlooked. The school recognizes that they must provide for more advanced planning for the following year’s purchases. The school’s administration, along with contracted business managers, will continue to work to maintain an internal control environment and structure that will safeguard the assets of the school, while maintaining compliance with legal and regulatory requirements. All staff were notified that until an approved Purchased Order is issued and received by the New Mexico Public Education Department that no service or good can be purchased for any reason; failure to comply would result in official reprimand and may result in the employee(s) either returning ordered items or paying for them solely. Management will review the environment as well as requirements surrounding procurement with all staff and governance. *Responsible party for corrective action:* Business Manager. *Timeline for corrective action:* January 1, 2018

2016-005 Payroll (Significant Deficiency) Repeated and Modified

Condition: We tested thirty payroll transactions and noted one instance where the employee’s contract stated a particular number of installments over which their contract would be paid, but the employee’s contract was paid out over a different number of installments. In this case, the correct contract was paid, but the number of installments noted in the employee contract did not correspond to the number of payments made to the employee.

The school has been making progress, new policies were drafted at the end of FY17.

Criteria: Each employee should have signed, written documentation to support their gross pay, and should be paid according to that documentation. If changes are made to a contract, the contract should be revised and re-signed, or documentation supporting the revision should be included in the employee personnel file.

Effect: Without proper controls in place, employees can be overpaid and underpaid. The School could also be subject to claims by employees who may believe they have not been paid correctly.

Cause: The School did not adequately review and make necessary revisions to employee contracts.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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Year Ended June 30, 2017**

SOUTHWEST AERONAUTICS, MATHEMATICS AND SCIENCE ACADEMY (CONTINUED)

2016-005 Payroll (Significant Deficiency) Repeated and Modified (continued)

Auditor's Recommendation: We recommend the School strengthen internal controls over payroll, including implementation of policies and procedures to ensure employee contracts are accurate and revised as may be necessary.

Management's Response: In the continued effort to ensure that employees were being properly recorded, reported, and paid by their respective employer, employee contracts were adjusted at the beginning of FY2017. When the contracts were adjusted, the employee's contract in questions number of paid periods were not amended to reflect periods that had already passed. This employee received their full and accurate salary for FY2017, and management wants it noted that the finding on this was due to a clerical typo on two single characters of a four-page document. Going forward, a procedure is in place to have all contracts created by the school based Business Manager using transcripts, license, verified previous work experience, approved school calendar and approved salary schedules. The contract is reviewed by the contracted Business Management consultant and then reviewed and approved by the Head Administrator prior to presenting it to the prospective employee for their review and execution. *Responsible party for corrective action:* Business Manager and *Timeline for corrective action:* January 1, 2018.

2017-001 Travel and Per-Diem – (Non-Compliance)

Condition: Out of five employee reimbursements tested, we noted one instance where the School reimbursed an employee for mileage and used the wrong year's IRS mileage rate to calculate the employee's reimbursement.

Criteria: NMAC 2.42.11(b)(1) NMAC states that public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile at 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.

Effect: The School is not in compliance with the Per Diem and Mileage Act and is incorrectly paying employees for travel on behalf of the School.

Cause: The School revised their reimbursement policy after the FY2016 audit, but had already processed employee mileage reimbursements during FY2017.

Auditor's Recommendation: The School has already revised their policy regarding mileage reimbursement to be compliant with state requirements.

Management's Response: In the continued effort to ensure that employees were being properly recorded, reported, and paid by their respective employer, employee contracts were adjusted at the beginning of FY2017. When the contracts were adjusted, the employee's contract in questions number of paid periods were not amended to reflect periods that had already passed. This employee received their full and accurate salary for FY2017, and management wants it noted that the finding on this was due to a clerical typo on two single characters of a four-page document. Going forward, a procedure is in place to have all contracts created by the school based Business Manager using transcripts, license, verified previous work experience, approved school calendar and approved salary schedules. The contract is reviewed by the contracted Business Management consultant and then reviewed and approved by the Head Administrator prior to presenting it to the prospective employee for their review and execution. *Responsible party,* Business Manager and *timeline for correct* by January 1, 2018.

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PUBLIC EDUCATION DEPARTMENT
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SOUTHWEST INTERMEDIATE LEARNING CENTER

2016-003 Payroll – (Significant Deficiency) Repeated and Modified

Condition: We tested 25 payroll transactions and noted the following:

- In 1 case, the I-9 form was not signed by the employee or employer
- In 3 cases, there were incomplete copies of documents included with the I-9 form
- In 1 case, the employee's contract stated a particular number of installments over which their contract would be paid, but the employee's contract was paid out over a different number of installments
- In 1 case, the authorization to release copy of FBI background check report is in the personnel file, but not the background report itself

The school has been making progress, new policies were drafted at the end of FY17.

Criteria: Federal law requires that each employee complete an I-9 upon being hired to determine their eligibility to work in the United States. Each I-9 form must be accurately completed and must be maintained on file for the School to demonstrate its compliance. The School is required to complete a background check on every employee, which should be maintained in employee personnel files. Each employee should have signed, written documentation to support their gross pay, and should be paid according to that documentation. If changes are made to a contract, the contract should be revised and re- signed, or documentation supporting the revision should be included in the employee personnel file.

Effect: Without proper controls in place, employees can be overpaid and underpaid. The School could also be subject to claims by employees who may believe they have not been paid correctly. Without proper documentation in personnel files, the School could be subject to fines and penalties in case of a labor or Immigration audit.

Cause: Sufficient attention has not been given to employee personnel files and ensuring their completeness and accuracy. The School did not adequately review and make necessary revisions to employee contracts.

Auditor's Recommendation: We recommend the School strengthen internal controls over employee contracts and personnel files. We also recommend each school maintain a complete personnel file with all required documents properly filled out.

Management's Response: Southwest Intermediate Learning Center is now closed. The school's last date of existence was June 30, 2017.

2017-001 Cash deposit requirements (Compliance)

Condition: For 1 of the 15 cash receipts tested totaling \$120, it was noted that deposit of funds into a financial institution was not completed within 24 hours.

Criteria: Cash receipts shall be deposited into a financial institution within 24 hours of receipt.

Cause: The School did not have a systematic process in place to be in compliance with this requirement.

Effect: Public monies are susceptible to theft or misappropriation if not deposited in a timely manner.

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SOUTHWEST INTERMEDIATE LEARNING CENTER (CONTINUED)

2017-001 Cash deposit requirements (Compliance) (continued)

Auditor's Recommendation: We recommend that the School augment their internal policy to comply with state statutes, specifically regarding the deposit of cash receipts into a financial institution within 24 hours of receipt, and follow the aforementioned policy going forward.

Management's Response: Southwest Intermediate Learning Center is now closed. The school's last date of existence was June 30, 2017.

2017-002 Expenditures Exceed Budget (Compliance)

Condition: The School had one fund with expenditures in excess of the budget during the year ended June 30, 2017:

Instructional Materials, Instruction Function	\$ <u> 3,222</u>
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Criteria: According to 6.20.2.9 NMAC, budgetary control shall be at the function level. Over- expenditure of a function shall not be allowed.

Effect: The Charter School is non-compliant with State Law.

Cause: A budget adjustment request was not submitted to account for additional expenditures incurred in the fund as listed above.

Auditor's Recommendation: We recommend that the School establish a policy of budgetary review at year-end to make the necessary budgetary adjustments.

Management's Response: Southwest Intermediate Learning Center is now closed. The school's last date of existence was June 30, 2017.

SOUTHWEST PRIMARY LEARNING CENTER

2016-004 Payroll – (Significant Deficiency) Repeated and Modified

Condition: We tested 30 payroll transactions and noted the following:

- In 1 case, the I-9 form was not signed by the employer
- In 3 cases, the I-9 form was not signed by the employee
- In 1 case, there were incomplete copies of documents included with the I-9 form
- In 3 cases, the employee contract in the personnel file is not signed
- In 6 cases, the employee's contract stated a particular number of installments over which their contract would be paid, but the employee's contract was paid out over a different number of installments
- In 1 case, the employee's contracted started part way into the School year, and the contract amount should have been pro-rated based on the number of contract days remaining. It appears as though this was done, but it was not indicated on the employee's contract.

The school has been making progress, new policies were drafted at the end of FY17.

Criteria: Federal law requires that each employee complete an I-9 upon being hired to determine their eligibility to work in the United States. Each I-9 form must be accurately completed and must be maintained on file for the School to demonstrate its compliance. Each employee should have signed, written documentation to support their

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SOUTHWEST PRIMARY LEARNING CENTER (CONTINUED)

2016-004 Payroll – (Significant Deficiency) Repeated and Modified (continued)

gross pay, and should be paid according to that documentation. If changes are made to a contract, the contract should be revised and re-signed, or documentation supporting the revision should be included in the employee personnel file.

Effect: Without proper controls in place, employees can be overpaid and underpaid. The School could also be subject to claims by employees who may believe they have not been paid correctly. Without proper documentation in personnel files, the School could be subject to fines and penalties in case of a labor or Immigration audit.

Cause: Sufficient attention has not been given to employee personnel files and ensuring their completeness and accuracy. The School did not adequately review and make necessary revisions to employee contracts.

Auditor's Recommendation: We recommend the School strengthen internal controls over employee contracts and personnel files. We also recommend each school maintain a complete personnel file with all required documents properly filled out.

Management's Response: In the continued effort to ensure that employees were being properly reported, recorded, and paid by their respective employer, contracts were again adjusted at the beginning of FY2017. When the contracts were adjusted the employees paid periods were not amended to reflect periods that had passed. These employees received their full and accurate salaries for FY2017, and management wants it noted that the finding on this was due to a clerical typo on two single characters of a four-page document. All employee files have been reviewed and have been updated when needed. Management will review the payroll requirements and procedures with administration and governance as well as each employee's file for the current year.
Responsible party for corrective action: Business Manager and *Timeline for corrective action:* January 1, 2018

2017-001 Internal Controls Cash receipts (Other Matters)

Condition: For 1 of the 25 cash receipts selected for testing, the School was unable to locate and provide supporting documentation.

Criteria: The School should maintain supporting documentation for every transaction processed in order to demonstrate compliance and good internal controls.

Cause: The supporting documentation for a cash receipt was lost or misplaced.

Effect: The School is not able to show compliance or internal controls over the missing cash receipt. Without proper internal controls, funds are subject to misappropriation.

Auditor's Recommendation: We recommend that the School strengthen their internal controls over cash receipts to ensure supporting documents are maintained on file.

Management's Response: The Southwest Primary Learning Center has developed a detailed financial policies and procedures manual. Management will review the financial policies and procedures with all applicable staff and request that they review and sign to acknowledge receipt and understanding of their responsibilities when accepting payments on behalf of the school. Responsible party, Business Manager and timeline by January 1, 2018

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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SOUTHWEST SECONDARY LEARNING CENTER

2016-003 Controls Over Cash Disbursements – (Significant Deficiency) Repeated and Modified

Condition: In 2 out of 25 disbursements tested, the purchase order was dated after the invoice date, indicating that the purchases were not properly approved before they were made. The amount of the disbursements noted equals \$899.59.

The school has been making progress, new policies were drafted at the end of FY17.

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.”

Effect: Without proper approval, purchases for unauthorized goods or services may occur.

Cause: Processes and procedures in place were by-passed by those involved in the purchasing process.

Auditor’s Recommendation: We recommend the School strengthen internal controls over purchasing procedures to ensure that all purchases are approved in accordance with School policies and procedures. Goods and/or services should not be ordered until all required authorizing signatures are obtained.

Management’s Response: The Southwest Secondary Learning Center has developed a detailed financial policies and procedures manual. The school’s administration, along with contracted business managers, will continue to work to maintain an internal control environment and structure that will safeguard the assets of the school, while maintaining compliance with legal and regulatory requirements. In addition, management will continue to ensure to appropriately record and report financial activities of the school. All staff were notified that until an approved Purchased Order is issued and received by the New Mexico Public Education Department that no service or good can be purchased for any reason; failure to comply would result in official reprimand and may result in the employee(s) either returning ordered items or paying for them solely. Management will review the environment as well as requirements surrounding procurement with all staff and governance. Responsible party, Business Manager and timeline by January 1, 2018

2016-005 Payroll – (Significant Deficiency) Repeated and Modified

Condition: We tested 25 payroll transactions and noted the following:

- In 1 case, the I-9 form was not signed by the employee
- In 2 cases, the I-9 form was not signed by the employer
- In 7 cases, there were incomplete copies of documents included with the I-9 form
- In 2 cases, the I-9 on file is not complete; all appropriate sections are not filled out
- In 1 case, the employee’s contract stated a particular number of installments over which their contract would be paid, but the employee’s contract was paid out over a different number of installments

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SOUTHWEST SECONDARY LEARNING CENTER (CONTINUED)

2016-005 Payroll – (Significant Deficiency) Repeated and Modified (continued)

The school has been making progress, new policies were drafted at the end of FY17.

Criteria: Federal law requires that each employee complete an I-9 upon being hired to determine their eligibility to work in the United States. Each I-9 form must be accurately completed and must be maintained on file for the School to demonstrate its compliance. Each employee should have signed, written documentation to support their gross pay, and should be paid according to that documentation. If changes are made to a contract, the contract should be revised and re-signed, or documentation supporting the revision should be included in the employee personnel file.

Effect: Without proper controls in place, employees can be overpaid and underpaid. The School could also be subject to claims by employees who may believe they have not been paid correctly. Without proper documentation in personnel files, the School could be subject to fines and penalties in case of a labor or Immigration audit.

Cause: Sufficient attention has not been given to employee personnel files and ensuring their completeness and accuracy. The School did not adequately review and make necessary revisions to employee contracts.

Auditor's Recommendation: We recommend the School strengthen internal controls over employee contracts and personnel files. We also recommend each school maintain a complete personnel file with all required documents properly filled out.

Management's Response: In the continued effort to ensure that employees were being properly recorded, reported, and paid by their respective employer, employee contracts were again adjusted at the beginning of FY2017. When the contracts were adjusted, the employee contract in question's number of paid periods were not amended to reflect periods that had already passed. This employee received their full and accurate salary for FY2017, and management wants it noted that the finding on this was due to a clerical typo on two single characters of a four-page document. Starting with FY2018, the school now staffs a full time Human Resources Specialist whose job it is to ensure initial and continued compliance with aspects of employment eligibility and payments. Management will review the payroll requirements and procedures with administration and applicable staff. All employee files will be reviewed and be updated as needed. *Responsible party* Business Manager and *Timeline for corrective action:* January 1, 2018

TAOS ACADEMY

2017-001 Timely Deposits (Other Non-Compliance)

Condition: During our review of eleven deposits, three deposits totaling \$2,550 did not have the dated receipts to support the date funds were received. As such, compliance with the twenty-four hour deposit requirement could not be determined.

Criteria: Per NMAC 6.20.2.14.C states "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day."

Effect: The School was not in compliance with the twenty-four hour deposit requirement.

**STATE OF NEW MEXICO
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TAOS ACADEMY (CONTINUED)

2017-001 Timely Deposits (Other Non-Compliance) (continued)

Cause: The School was not documenting dates on the cash receipts.

Auditor's Recommendation: Implement internal controls to ensure deposits are made and documented in accordance with cash receipting requirements.

Management's Response: Management continues to reinforce the importance of following procedures for timely deposits. The school also has new staff and they have been properly trained in procedures for handling deposits. Business Manager is responsible for implementation by 1/1/2018.

2017-002 Travel and Training Policy (Other Non-Compliance)

Condition: During our review of travel and per diem expenditures, one of five disbursements reviewed included a reimbursement for alcohol. The total disbursement was for \$137 and the portion related to alcohol was approximately \$7.

Criteria: NMAC 6.20.2.19 states each school district shall establish and implement written policies and procedures for travel and training. Travel policies and procedures shall be in compliance with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-8, NMSA 1978, and department of finance and administration (DFA) regulations.

Effect: The School is not in compliance with NMAC 6.20.2.19.

Cause: The School has not implemented written policies and procedures for travel and training. According to School personnel, the School's informal policy does not allow for reimbursement of alcohol but the School's controls did not prevent the reimbursement from occurring.

Auditor's Recommendation: Travel and training policies and procedures should be established and implemented. Once implemented, ensure that School funds are not used for unallowable reimbursements.

Management's Response: The school will review current policies and procedure to make sure that we are in compliance with NMAC 6.20.2.19. It is not the School's practice to reimburse alcoholic beverages, this was an oversight. Business Manager is responsible for implementation by 1/1/2018.

THE FOUNDATION FOR TAOS ACADEMY

2017-001 Segregation of Duties for the Foundation (Significant Deficiency)

Condition: The Foundation has one individual who is responsible for depositing receipts, handling cash, and maintaining the support for the revenues. This individual also has the ability to write checks, enter transactions into the accounting system and has online banking access.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP."

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THE FOUNDATION FOR TAOS ACADEMY (CONTINUED)

2017-001 Segregation of Duties for the Foundation (Significant Deficiency) (continued)

The basic premise of segregation of duties is that no one person should have access to both physical assets and the related accounting records or to all phases of a transaction.

Effect: Proper segregation of duties does not exist at the Foundation.

Cause: The Foundation does not have controls in place to ensure that more than one person is responsible for the cash and accounting functions.

Auditors' Recommendation: The Foundation should segregate the various accounting duties to ensure that the same person who is writing checks and cashing deposits is not the same person who authorizes and records those transactions.

Management's Response: The School will work with the Foundation on implementing an Internal Control Structure that is sound. The Foundation will also begin reporting their finances to the Governing Board of the School on a quarterly basis. The Finance Committee will also review the financial statements and procedures of the Foundation. Business Manager is responsible for implementation by 1/1/2018.

TAOS INTEGRATED SCHOOL OF THE ARTS

2016-001 Internal Control Structure (Other Non-Compliance) Repeated and Modified

Condition: During our review of 25 disbursements, we noted an instance where the School made a payment to a vendor totaling \$6,907 which agreed to the amount on the invoice. However, the vendor's invoice did not calculate the total properly and the invoice should have only totaled \$6,857. This calculation error on the invoice resulted in the School overpaying the vendor by \$50. An internal control structure finding for an overpayment was reported in 2016 and the School has implemented controls to help prevent this in the future.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every School district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recoded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Effect: The School is not in compliance with NMAC 6.20.2.11 and the School overpaid the vendor \$50.

Cause: School personnel did not cross-check the vendor invoice prior to making a payment to the vendor.

Auditor's Recommendation: Implement internal controls to ensure vendors aren't paid more than the correct amount.

Management's Response: This finding was prior to the school implementing additional procedures for review of payment of invoices. All invoices must be reviewed by the Business Manager prior to the payment being approved.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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TAOS INTEGRATED SCHOOL OF THE ARTS (CONTINUED)

2016-001 Internal Control Structure (Other Non-Compliance) Repeated and Modified (CONTINUED)

Also, all check signers have been trained on review of invoices. The personnel responsible are the Director, Business Manager, and the check signers. Corrective action has been taken but monitoring will be on-going.

2017-001 Procurement (Other Non-Compliance)

Condition: The School did not follow their procurement policy when purchasing firewalls for \$48,000. Quotes were not obtained prior to the purchase of these goods.

Criteria: NMAC 6.20.2.17 PURCHASING states A. Each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. Purchasing policies and procedures for grant funding shall comply with requirements established within the grant and the Procurement Code. An internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, state and federal regulations. The School's policy states "For purchases of tangible items between \$5,000 - \$59,999.99 and services between \$5,001 and \$59,999.99, the requisitioning employee must obtain three quotes."

Effect: The School is not in compliance with their procurement policy and could be over paying for tangible items.

Cause: Internal controls were not in place to ensure the School followed their procurement policy when purchasing tangible items.

Auditor's Recommendation: The School should follow its policies and procedures when purchasing tangible items.

Management's Response: The Governing Board President was present for discussions with the school's landlord regarding required work for the E-Occupancy of building. The construction of firewalls was required prior to occupancy. The landlord did get three quotes; however they were not provided to the school. The school continues to be diligent in following procurement. The personnel responsible are the Director, Business Manager, and the finance committee. Corrective action is on-going.

2017-002 Background Checks (Other Non-Compliance)

Condition: During our internal control testwork over 25 payroll transactions we noted an instance where the complete background check was not maintained as certain key pages were missing. Upon request of the completed background check, we noted results that we believe would have required an individual being adjudicated prior to hire. Management was unaware of the results of the background check and an adjudication process was not taken upon hiring this individual.

Criteria: Background checks should be completed for all individuals hired for sensitive positions and in accordance with written policies and procedures as established by the governing council. NMAC 6.20.2.18 required various employee records and documentation to be maintained and available for inspection.

Effect: The School is not in compliance with NMAC 6.20.2.18 as only a portion of an employee's background check was maintained. In addition, an employee was hired prior to an adjudication process being completed.

Cause: Controls were not in place to ensure the complete background check was maintained on file. In addition, an adjudication process did not occur prior to hiring the individual.

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TAOS INTEGRATED SCHOOL OF THE ARTS (CONTINUED)

2017-002 Background Checks (Other Non-Compliance) (continued)

Auditor's Recommendation: Internal controls and procedures should be established to ensure the entire background check is maintained on file and that documentation is maintained when needed to adjudicate an employee. In addition, the individual who submits and maintains the background checks should not be responsible for their own background check.

Management's Response: Management will establish procedures for personnel files that include background check review and procedures that will be followed if information is provided that would require an adjudication process. The personnel responsible are the Director and Business Manager. Corrective action is on-going.

TAOS INTERNATIONAL SCHOOL

2016-001 Travel and Per Diem (Other Non-Compliance) Repeated and Modified

Condition: As detailed, the School has not developed procedures to correct the prior year finding. During the fiscal year 2017, we noted that three of six mileage reimbursements tested did not include support for mileage traveled such as odometer readings or NM DOT map mileage. We also noted one instance in which the purchase order was generated prior to approval of the travel request and two instances when the Executive Director approved her own mileage reimbursement.

Criteria: NMAC 2.42.2.11 states that for conveyance in the discharge of official duties by privately owned automobile, mileage accrued shall be reimbursed at the rate set as pursuant to the mileage chart of the official state map published by the state highway and transportation department for distances in New Mexico or pursuant to actual mileage if the beginning and ending odometer reading is certified as true and correct by the traveler.

Effect: The School is not in compliance NMAC 2.42.2.11.

Cause: The School did not have internal controls in place to ensure that mileage reimbursed was certified in accordance with NMAC 2.42.2.11.

Auditor's Recommendation: The School should ensure they have policies in place to ensure that all travel related reimbursements are made and supported in accordance with NMAC 2.42.2.11.

Management's Response: As of October 31, 2017, a new travel reimbursement form has been created to include the odometer reading. The staff has been reminded that odometer readings are required to be include on the form. A new control procedure has also been approved that requires the GC President to approve all administrator reimbursements by signature.

2017-001 Procurement Code (Other Non-Compliance)

Condition: The School did follow proper procurement procedures when obtaining food vendor services in the amount of \$147,000. The school did not obtain formal bids or requests for proposals.

Criteria: Section NMAC 6.20.2.17(A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure

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TAOS INTERNATIONAL SCHOOL (CONTINUED)

2017-001 Procurement Code (Other Non-Compliance) (continued)

compliance with school policy, state and federal regulations. Per the school policy: Competitive bids must be obtained on a request for proposal form and in accordance with New Mexico State Statute for tangible items and professional services estimated to cost more than \$60,000.

Effect: The School is not in compliance with NMAC 6.20.2.17, and they did not follow their procurement process. The School could be over paying for goods and services.

Cause: Internal controls are not in place to ensure the School's compliance with its written policies and procedures.

Auditor's Recommendation: Implement the procedures from your written policies and procedures for purchasing goods and services. Establish internal controls to ensure following procurement procedures are followed.

Management's Response: Effective October 31, 2017, procurement code policies and procedures have been reviewed with school employees to ensure they are followed. The Procurement Officer is responsible to ensure these policies are followed. The school did require bids for food services for the FYE 2017-2018 school year.

2017-002 Budget Adjustment Request (Other Non-Compliance)

Condition: During our review of budget adjustment requests (BAR), two of four BAR's reviewed were not reviewed and approved by the Governing Council prior to obtaining PED approval.

Criteria: Per NMAC 6.20.2.10 (A), the School shall maintain a log of all budget adjustment requests to account for status, numerical sequence, and timely approval at each level. The log is to be retained for audit purposes. As stated in the School's Internal Controls Manual, the Business Manager shall present proposed budget adjustment requests to the Governing Council for approval at a scheduled meeting. If the changes are approved, the approval is noted in the meeting minutes.

Effect: When BARs are not first discussed with the Governing Council, this prevents the Governing Council from having accurate information regarding the budget in order to make decisions. The School is not in compliance with their policies and procedures.

Cause: The School did not its follow internal policies and procedures. Additionally, Governing Council minutes were not complete to include details of all items discussed and approved.

Auditor's Recommendation: Ensure the Governing Council approves all BARs. In addition, we recommend that the minutes include necessary detailed information pertaining to all items discussed.

Management's Response: All BARs are approved by the Governing Council as required. However, the minutes of the GC meeting did not have the correct date of the meeting. Effective October 31, 2017, the Executive Director will review meeting minutes to ensure they are accurate.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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TAOS INTERNATIONAL SCHOOL (CONTINUED)

2017-003 Internal Control Structure over Payroll (Other Matters)

Condition: During our review of payroll and accrued payroll liabilities, we noted that voluntary payroll deductions totaling \$5,423.85 for a state tax levy were not remitted timely.

Criteria: NMAC 6.20.2.11 requires each school to establish and maintain a structure of internal accounting controls and written procedures. Each school is required to conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer programmed controls, management review of reports that summarize the detail of account balances and user review of computer generated reports. The School is also required to maintain an internal control structure to demonstrate the ability to record, process, summarize and report financial data. In addition, the internal control structure shall demonstrate that the school identifies applicable law and regulations, and that procedures are designed to provide reasonable assurance that the school complies with those laws and regulations.

Effect: The School did not remit amounts withheld from an employee for a state tax levy as the amounts were withheld, which increases the risk of interest and penalties for amounts not remitted to the State timely.

Cause: Internal controls are not in place to ensure voluntary payroll deductions are remitted timely.

Recommendation: Implement internal controls to ensure all payroll deductions are remitted timely.

Management's Response: Effective October 31, 2017, the business manager will ensure that funds withheld from employee paychecks as garnishments are remitted timely. As of October 31, 2017, all required garnishment payments have been made. Future payments will be made timely.

2017-004 Cash Receipts (Other matters)

Condition: During our review of cash receipts, we noted that revenues were recorded to the incorrect fund and general ledger account.

Criteria: Per NMAC 6.20.2.14, School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) and Uniform Guidance, and applicable state and federal laws and regulations.

Effect: The revenues reported were inaccurate. The School is not in compliance with NMAC 6.20.2.14

Cause: Internal controls are not in place to ensure accurate reporting.

Recommendation: Implement internal controls to ensure cash receipts are reviewed and recorded under the correct fund and account.

Management's Response: The school has a review process related to cash receipts. However, this error was not identified during the review. Effective October 31, 2017, the office manager will work with the business manager to ensure cash receipts are posted to the correct fund and account.

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TAOS INTERNATIONAL SCHOOL (CONTINUED)

2017-005 Educational Retirement Board and Retiree Health Care Contributions (Other Non-Compliance)

Condition: During our payroll transaction testwork we noted the following:

- One return to work employee did not have ERB or RHC contributions reported for one pay period.
- One employee received compensation greater than \$20,000 and should have contributed 10.7%, however the employee contributions were calculated at 7.9%.
- One employee was considered a long-term substitute, however no ERB or RHC contributions were deducted or reported for the employee.

Criteria: Charter 22, Article 11 NMSA 1978 “Educational Retirement Act” established guidelines for contributions and the calculation of qualifying wages. The ERB Form 100 must be faxed the same day that the contributions are electronically transmitted, no later the 15th of the month following the month covered by the Report. All employees who are entitled to ERB benefits must contribute to RHC.

Effect: The School is not in compliance New Mexico Statutes in regards to ERB and RHC contributions.

Cause: The School did not use appropriate methodology for determining wages for ERB contributions in accordance with ERB and RHC guidance. The School does not have procedures in place to ensure reports are filed timely.

Auditor’s Recommendation: Implement internal controls to ensure the appropriate amounts are reported and remitted to ERB each month within the required deadlines.

Management’s Response: Effective October 31, 2017, the Executive Director is reviewing the school’s internal controls to ensure that necessary processes and procedures are in place to ensure that payroll related benefits and liabilities are properly calculated and remitted to the appropriate agencies timely.

TECHNOLOGY LEADERSHIP HIGH SCHOOL

2016-001 Procurement Code (Other Non-Compliance) Repeated and Modified

Condition: During our test work of twenty-eight cash disbursements, we noted the school did not follow proper procurement procedures when it purchased sixty-five laptops in the amount of \$60,385. The school did not obtain formal bids or proposals as required. The school has not established purchasing policies to ensure compliance with state and federal regulations for purchases of goods or services exceeding \$60,000.

Criteria: Section NMAC 6.20.2.17(A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, state and federal regulations.

Effect: The school is not in compliance with state and federal purchasing policies and procedures. The school could be over paying for goods and services.

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TECHNOLOGY LEADERSHIP HIGH SCHOOL (CONTINUED)

2016-001 Procurement Code (Other Non-Compliance) Repeated and Modified (continued)

Cause: The school updated their internal control policies and procedures and left out procurement guidelines when procuring for tangible items in excess of \$60,000. Internal controls were not followed to ensure the School's purchasing policies and procedures are in compliance with state and federal regulations.

Auditor's Recommendation: Establish purchasing policies and procedures that are in compliance with the Procurement Code. Establish proper internal controls to ensure the School is following purchasing policies.

Management's Response: While the Procurement Code requires that each school establish written policies and procedures for purchasing, it does not prescribe that these policies contain language for "items in excess of sixty thousand". While the School's written policies and procedures for purchasing do not speak specifically to procurements over sixty thousand (\$60,000) they do require the School to comply with the Procurement Code, therefore, we respectfully disagree that there has been a violation here in those written policies and procedures. However, to be sure there is clarity here, the School will update its Internal Control Procedures to add a line such as "All bids required to be done competitively by the Procurement Code shall be done as such". This will be done effective October 31, 2017 and the procurement officer will ensure requirements are followed.

2017-001 Internal Control (Other Non-Compliance)

Condition: During our test-work of twenty-eight cash disbursements and six travel disbursements, we noted two instances where the purchase order was generated after services were incurred.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Effect: The School is not in compliance with NMAC 6.20.2.11 and policies regarding purchases. Without proper approval, purchases for unauthorized goods or services may occur.

Cause: Internal controls were not followed to ensure the School adheres to purchasing policies and procedures.

2017-001 Internal Control (Other Non-Compliance)

Auditor's Recommendation: Ensure purchase orders are created and approved prior to procuring goods and services.

Management's Response: Effective October 31, 2017, the business manager will ensure that the School creates the purchase order prior to making purchases and services rendered. Business Manager is responsible for implementation by 1/1/2018.

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TIERRA ADENTRO

2015-001 - Internal Control Structure and Payroll (Significant Deficiency) Repeated and Modified

Condition: During our review of 25 payroll disbursements, we noted three instances where the School was improperly calculating employee and employer FICA amounts for certain insurance deductions. These employee deductions should have been treated as post-FICA deductions; however, the School treated them as pre-FICA deductions. A payroll deduction finding was reported during the 2016 and 2015 audits. During 2017, the School was in the process of ensuring all payroll deductions are deducted properly.

Criteria: NMAC 6.20.2.11 Internal Control Structure Standards, requires every School to maintain an internal control structure that will provide management with reasonable assurance assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Effect: The School is not in compliance with NMAC 6.20.2.11 and employees paid less in taxes than what should have been paid.

Cause: Internal controls are not in place to ensure deductions are properly entered into the payroll system.

Auditor's Recommendation: Implement internal controls to ensure deductions are properly entered into the payroll system. A review should be performed for all employees to ensure deductions are properly calculated.

Management's Response: After the fiscal year 2016 audit, we were made aware that one deduction was being calculated improperly. As soon as we were informed that the deduction should be post-tax, we corrected it in the financial system. This was fixed by the date we provided in last year's findings. Business Manager is responsible for implementation by 1/1/2018.

2016-001 Excess of Expenditures over Budget (Other Non-Compliance) Repeated and Modified

Condition: The Operational Fund's (11000) actual expenditures exceeded budgetary authority at the functional level for Non-instructional Services (Food Service Operations) by \$3,884. A similar finding was reported in 2016; however, complete corrective action wasn't implemented during 2017.

Criteria: Per NMAC 6.20.2.9 (A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2, NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed.

Effect: The School had expenditures in the non-instructional services function level that exceeded the total approved budgeted expenditures by \$3,884.

Cause: Budgetary controls were not in place to adequately monitor and regularly compare budget to actual results. As a result, measures were not taken to avoid or minimize the amount that actual expenditures exceeded the approved budget for the Operational fund.

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TIERRA ADENTRO (CONTINUED)

2016-002 Excess of Expenditures over Budget (Other Non-Compliance) Repeated and Modified (continued)

Recommendation: Budget adjustment requests should be presented to and approved by PED before expending funds in excess of the budget. Controls should be implemented to ensure that budgeted amounts are compared to actual on a regular basis and the budget effectively utilized for controlling expenses and managing cash flow.

Management's Response: PED requires all BARs to be submitted by the beginning of June and will not approve anything after that deadline. The School did not receive the final food service invoice or USDA Funds until after PED's deadline which caused the expenditures to exceed budgetary authority. Business Manager is responsible for implementation by 6/30/2018.

2017-001 Timely Deposits (Other Non-Compliance)

Condition: During our review of eleven deposits, we noted two deposits totaling \$190 that were not deposited within twenty-four hours of being received.

Criteria: NMAC 6.20.2.14.C states "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day."

Effect: The School is not in compliance with NMAC 6.20.2.14.

Cause: The School's policies and procedures regarding cash receipts were not being enforced.

Recommendation: Implement internal controls to ensure all deposits are made and documented in accordance with cash receipting requirements.

Management's Response: All deposits will be properly dated and stamped from now on. If the designated person that makes deposits is unable to go to the bank there will be another employee assigned to make the deposit. Business Manager is responsible for implementation by 6/30/2018.

2017-002 Personnel Files (Other Non-Compliance)

Condition: During our review of 25 payroll disbursements, we noted an educational assistant that did not have a license from the Public Education Department on file.

Criteria: NMAC 6.61.2 through 6.61.12 (Chapter 61) outlines the various licensure requirements for persons seeking an instructor's license. NMAC 6.63.9 establishes three levels of licensure for educational assistants and governs the licensure requirements for persons seeking level 1, level 2, and level 3 educational assistant licensure.

Effect: The School is not in compliance with the above referenced requirements.

Cause: The School did not have internal controls in place to ensure all required documentation was obtained prior to hiring the educational assistant noted above and a process is not in place that would provide periodic reviews of employee personnel files to ensure they are complete.

Recommendation: Develop and implement internal control procedures to ensure all required documents are obtained prior to an employee starting employment with the School. Personnel files should be reviewed periodically to ensure all required employment documents have been obtained and that such documents are complete and accurate.

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TIERRA ADENTRO (CONTINUED)

2017-002 Personnel Files (Other Non-Compliance) (continued)

Management's Response: The mentioned employee above did have a license but NM PED would not release it to him or the school because he overpaid for it. They would not release it until he went to get his money back so they only gave the school the license number. The school administration will review the new hire checklist to ensure that all required documents are obtained prior to the hiring of an employee. Personnel files will be reviewed during the year to ensure all required documents have been completed and accurate. Business Manager is responsible for implementation by 6/30/2018.

2017-003 Audit Committee (Other Non-Compliance)

Condition: The School lists a parent and community volunteer on their audit committee; however, these individuals have not been attending the entrance or exit conference for the School's annual audit.

Criteria: According to NMSA 22-8-12.3(D) each local school board shall appoint an audit committee that consists of two board members, one volunteer member who is a parent of a student attending the school district and one volunteer member who has experience in accounting or financial matters. Additionally, the audit committee shall attend the entrance and exit conference for the annual audit.

Effect: The School is not in compliance with New Mexico State Statues in regards to audit committee members attending the entrance and exit conferences.

Cause: The School has been unable to solicit the required members to attend the entrance and exit conferences for the annual audit.

Recommendation: We recommend that the School review state compliance requirements and ensure that the audit committee members meet the requirements of NMSA 22-8-12-3(D).

Management's Response: The School and Governing Council will work together to ensure that the audit committee members meet the state compliance requirements. Business Manager is responsible for implementation by 6/30/2018.

2017-004 Budgetary Conditions (Other Non-Compliance)

Condition: The School did not properly budget prior year cash carry-over in the Instructional Materials Fund 14000. Budgeted revenue of \$13,432, along with designated cash of \$23,321, was insufficient to cover the budgeted expenditures of \$36,765 creating a budgeted deficit in the amount of \$12.

Criteria: Per NMAC 6.20.2.9 (A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2, NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. NMSA 1978 section 22-8-6 states "A school shall be considered as failing to submit a budget if the budget submitted exceeds the total projected resources of the school."

Effect: The School is out of compliance with New Mexico state statute and the controls established by the use of budgets has been compromised, which could result in deficit fund balances and unnecessary usage of funds to cover the budgeted over expenditures.

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TIERRA ADENTRO (CONTINUED)

2017-004 Budgetary Conditions (Other Non-Compliance) (continued)

Cause: The original budget had over projected expenditures and a budget adjustment request was not prepared and submitted to PED.

Auditor's Recommendation: We recommend that the School establish a policy where the budget is reviewed at the end of each quarter and give consideration to deficits and ensure that designated cash is available to cover such overages.

Management's Response: The School will conduct an end of year review on budget. It should be noted that although the budget was over budgeted by \$12 the school had a carryover of \$14,195. Business Manager is responsible for implementation by 6/30/2018.

TIERRA ENCANADA CHARTER

2017-001 – Travel and Per Diem (Compliance)

Condition: During our testing of travel and per diem disbursements we noted the following:

- One instance where the school reimbursed an employee for meals twice resulting in an overpayment of \$25.75.
- One instance where the school reimbursed a board member for mileage using the incorrect rate resulting in an overpayment of \$2.02.

Criteria: NMAC 2.42.2.11 (B)(1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official 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, 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. Per NMAC 2.42.2.9 a public officer or an employee may be reimbursed actual expenses for lodging and meals.

Effect: The school is not in compliance with New Mexico State Statutes in regards to mileage and meal reimbursement.

Cause: School personnel did not utilize the correct mileage reimbursement rate. School personnel did not follow school's policies for meal reimbursement.

Auditor's Recommendation: The school should reimburse mileage at 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. The school should implement a review process to ensure reimbursements are properly calculate and comply with New Mexico statutes.

Management's Response: Management agrees with the finding. Management has revised our Travel Procedures Policy #01.15.15.0013 to reflect a maximum rate of \$0.45 or 80% of the IRS standard rate set January 1st of the previous year whichever is less, rather than a set rate of \$0.45. This Policy change was approved at our October Governance Meeting. Management will also implement a second review process to include the Director for reimbursement rates related to meals reimbursement. This language will be written into the Business Office Procedures for Travel reimbursement. Business Manager is responsible for implementation by 1/1/2018.

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TURQUOISE TRAIL CHARTER SCHOOL

2016-001 Internal Controls over Payroll (Other matters) Repeated and Modified

Condition: During our testwork over twenty-five payroll transactions, we noted the following:

- One long-term substitute, who was working more than .25 full-time equivalent (FTE), was not contributing to the New Mexico Education Retirement Board (NMERB) or to the Retiree Health Care Authority (RHCA).
- One employee received a stipend for the pay grade above the approved amount based on their certification level.

Criteria: Per the NMAC 6.20.2.12, the School District shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer programmed controls, management review of reports that summarize the detail of account balances and user review of computer generated reports. The School is also required to maintain an internal control structure to demonstrate the School's ability to record, process, summarize and report financial data. In addition, the internal control structure shall demonstrate that the school district identifies applicable law and regulations, and that procedures are designed to provide reasonable assurance that the school district complies with those laws and regulations. Also, employees working more than 25% of a FTE are considered Educational Retirement Act and Retiree Health Care Authority covered employees.

Effect: The School is not in compliance with the Educational Retirement Act, the retiree Health Care Act, and NMAC 6.20.2.12.

Cause: Internal controls were not in place to ensure employees working more than .25 FTE were making the required contributions to the NMERB and RHCA and that employee stipends are paid in accordance with the proper certifications.

Auditor's Recommendation: Implement internal controls to ensure all employees working more than 25% of a FTE are making the required contributions to the NMERB and RHCA. When employees change their percentage of time worked, ensure these changes are properly reflected in the payroll system. Also, ensure that employee stipends are reviewed and traced to the proper certification level.

Management's Response: The Business Manager will more closely monitor the FTE status of our part time/occasional staff to ensure that the .25 threshold is not exceeded. The employee in question was working many hours in the afterschool program, which caused him to exceed the .25 FTE limit. Business Manager is responsible for implementation by 1/1/2018.

2016-007 Excess of Expenditures over Budget (Other Non-Compliance) Repeated and Modified

Condition: TTCS had the following budgetary conditions:

- The School did not properly budget prior year cash carry-over in the Operational Fund (14000). There was cash carryover of \$12,856, however, the School budgeted a deficit of \$13,571.
- The School had actual expenditures in the following functions that exceeded budgetary authority:

Food Services (21000)	
Food Services Operations	\$1,168
Kindergarten – Three Plus (27166)	
Support Services	\$294

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TURQUOISE TRAIL CHARTER SCHOOL (CONTINUED)

2016-007 Excess of Expenditures over Budget (Other Non-Compliance) Repeated and Modified (continued)

Criteria: Per NMAC 6.20.2.9 (A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2, NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over expenditure of a function shall not be allowed.

Effect: Turquoise Trail Charter School expenditures in the above functions exceeded the total approved budgeted expenditures by \$1,461.

Cause: Budgetary controls were not in place to adequately monitor and regularly compare budget to actual results. As a result, measures were not taken to avoid or minimize the amount that actual expenditures exceeded the approved budget for the funds listed above.

Auditor's Recommendation: Controls should be implemented to ensure that budgeted amounts are compared to actual on a regular basis and the budget effectively utilized for controlling expenses and managing cash flow.

Management's Response: In the future, the Business Manager will closely monitor the budget variances, by Function, and submit BAR requests to the Governance Council in a timely manner to allow for budgets to be updated throughout the year as conditions change. In FY17, the variance for Food Services was due to not updating the budget in June. The K3Plus variance is within function 2xxx only, but the budget in total was not exceeded. Business Manager is responsible for implementation by 1/1/2018.

2017-001 Disposition of Computer Equipment (Other Non-Compliance)

Condition: During our review of computer disposals, we noted that the School did not maintain support that the Office of the State Auditor ("State Auditor") was notified at least thirty days prior to the processing of the disposal for seven of the fifty-two computers that were disposed of.

Criteria: 2.2.2.10(U) NMAC Requirements for Contracting and Conducting Audits of Agencies, requires the agency to certify in writing the proper erasure of any digital equipment with storage capabilities, and submit the certification along with the notification of the proposed disposition of property to the State Auditor at least thirty days prior to taking action. This is a special requirement of the State Auditor and it applies even if the original purchase price of the digital equipment was less than \$5,000.

Effect: Turquoise Trail Charter School is not in compliance with NMAC 2.2.2.10.

Cause: The School failed to obtain proper approval for seven computers that were not added to the original disposal listing.

Auditor's Recommendation: The school should implement internal controls to ensure all computers that are disposed of have proper support for the notification to the State Auditor and the approval of disposition by the Governing Council.

Management's Response: The former network administrator, a contractor, added more computers to the disposal without informing administration than what was approved. This individual is no longer working with the school. The current Operations Manager and IT contractors have been instructed by the Business Manager to closely

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TURQUOISE TRAIL CHARTER SCHOOL (CONTINUED)

2017-001 Disposition of Computer Equipment (Other Non-Compliance) (continued)

match all items for disposal to the list approved by the Governance Council, and that any additional items for disposal must be added to a future listing to gain approval, and cannot be added to the current disposal group. Business Manager is responsible for implementation by 1/1/2018.

UPLIFT COMMUNITY SCHOOL

2015-003 Purchase Orders Subsequent to Invoice – (Significant Deficiency) Modified and Repeated

Condition: During our testing of forty cash disbursements, there were two instances (totaling \$1,115) in which the Purchase Order was prepared subsequent to the vendor's invoice date.

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that "the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction."

Effect: Not being in compliance with state purchasing requirements places the School at risk for fraud or misuse of public funds.

Cause: School personnel did not follow established procurement policies of the School.

Auditor's Recommendation: All School personnel should be reminded that initiation of a purchase order is not sufficient for ordering; that an approved Purchase Order is required per School and State guidelines.

Management's Response: The School has ceased operations. Management was not available to respond.

2017-001 Chief Procurement Officer – (Compliance)

Condition: It was noted that Uplift Community School did not have a Chief Procurement Officer in place for the year ended June 30, 2017.

Criteria: Per 13-1-95.2.A NMSA 1978, "On or before January 1 of each year beginning in 2014, and every time a chief procurement officer is hired, each state agency and local public body shall provide to the state purchasing agent the name of the state agency's or local public body's chief procurement officer and information identifying the state agency's or local public body's central purchasing office, if applicable." Section 13-1-95.2.D NMSA 1978 also requires that the Chief Procurement Officer obtain an initial certification as well as recertification every two years.

Effect: The school is out of compliance with New Mexico statutes requiring the training, certification, and reporting of a Chief Procurement Officer.

Cause: The school has not designated or obtained the necessary training and certification necessary for any of its employees to be a Chief Procurement Officer.

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UPLIFT COMMUNITY SCHOOL (CONTINUED)

2017-001 Chief Procurement Officer – (Compliance) (continued)

Auditor's Recommendation: The School should designate an individual with the appropriate skill set and position within the school to be its Chief Procurement Officer. This individual should obtain the necessary certification as soon as possible. Upon certification of a Chief Procurement Officer, the school should register this individual on the New Mexico General Services Department website.

Management's Response: The School has ceased operations. Management was not available to respond.

2017-002 Expenditures Exceed Budget – (Other Matter)

Condition: The District had expenditure functions where actual expenditures exceeded budgetary authority:

Operational - 11000		
Operation & Maintenance of Plant	\$	42,213
Food Services Operations	\$	5,016

Criteria: According to NMAC 6.20.2.9(A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2 NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over- expenditure of a function shall not be allowed.

Effect: The District is non-compliant with State Law, and the controls established through the use of budgets have been compromised.

Cause: Budget adjustment requests were not submitted to the Public Education Department to obtain budgetary authority for these expenditures.

Auditor's Recommendation: We recommend that the District establish a policy of budgetary review at year end, to ensure that necessary budget adjustment requests are prepared, submitted, and approved.

Management's Response: The School has ceased operations. Management was not available to respond.

WALATOWA HIGH CHARTER SCHOOL

2014-002 - Background Checks (Other matters) Repeated and Modified

Condition: During our procedures performed over twenty-five payroll disbursements, we found three employees that did not have a comprehensive background check on file. The school has made no progress on clearing this internal control issue.

Criteria: Section 12-10-6, NMSA 1978, requires that the School shall develop policies and procedures to require background checks on an applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school.

Additionally, the School's policies and procedures require "Prior to becoming an employee of WALATOWA HIGH CHARTER SCHOOL, a comprehensive background check consisting of prior employment verification, professional reference checks, education verification, licensure and certification confirmation, and a criminal background

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WALATOWA HIGH CHARTER SCHOOL (CONTINUED)

2014-002 - Background Checks (Other matters) Repeated and Modified (continued)

check is conducted in accordance with applicable laws. If applicable to you position, a driving records check will be completed.”

Effect: The School did not comply with State Statute and its policies and procedures requiring background checks.

Cause: Internal controls did not operate effectively to ensure School’s policies and procedures regarding background checks were followed.

Auditor’s Recommendation: Enforce policies and procedures to ensure required background checks are conducted and kept on file.

Management’s Response: For the three employees without background checks, we have obtained a background check for one. The second employee is in the process of obtaining an updated background check because the Pueblo of Jemez cannot release her file according to their Policies and Procedures. For the third employee, Walatowa High Charter School cannot locate that employee’s file. Business Manager is responsible for implementation by 1/1/2018.

2016-002 Internal Control over Cash Disbursements (Other matters) Repeated and Modified

Condition: During our internal control testwork over twenty-five general disbursements, we noted the following:

- An instance where food services were obtained in the amount of \$30,962. However, no bids were obtained nor was the board notified of this bid opening as required by the School’s purchasing policies and procedures.
- One instance where a large scale purchase of computers in the amount of \$19,441 was made prior to notifying and obtaining approval from the Board for the bid opening.

The school has made no progress on clearing this internal control issue.

Criteria: NMAC 6.20.2.17 requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, and state and federal regulations. The School’s fiscal policy states, “All purchases of and contracts for supplies, materials, equipment and contractual services shall be based on competitive bids or other required estimates or quotations as provided by law. The Governing Board shall receive prior notice of major bid openings. Examples include bid openings for large-scale equipment purchases of \$5,000 or more and all RFP’s for major proposals of \$5,000 or more.”

Effect: The School is not in compliance with their purchasing policies and procedures. Additionally, the School may not be obtaining goods and services at the best obtainable price.

Cause: Internal controls did not operate effectively to ensure School’s policies and procedures were followed. Additionally, the School does not have a policy prescribing the procedures for sole sourcing goods or services.

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WALATOWA HIGH CHARTER SCHOOL (CONTINUED)

2016-002 Internal Control over Cash Disbursements (Other matters) Repeated and Modified (continued)

Auditor's Recommendation: Establish adequate internal controls to ensure the School follows its purchasing policies and procedures with regard to competitive bids and quotes. Also, update the School's policies and procedures to address the appropriate circumstances and procedures for sole sourcing goods and services.

Management's Response: Walatowa High Charter School is in the process of obtaining procedures for obtaining Student Nutrition bids from various school districts and food vendors. Walatowa High Charter School will notify the Governing Council at the regular board meeting for prior approval of large scale purchasing. Business Manager is responsible for implementation by 1/1/2018.

2017-001- Capital Assets (Other matters)

Condition: During our procedures performed over capital assets, we noted that the following:

- The School failed to add a fire alarm system upgrade costing \$16,101 to their listing of capital assets;
- The School did not have their annual inventory count certified by the Governing Council as required by State Statute; and,
- The School disposed of a vehicle during the year; however the Office of the State Auditor was not notified 30 days prior to this disposal.

Criteria: Section 12-10-6, NMSA 1978, requires at the end of each fiscal year, the governing authority of each agency shall conduct a physical inventory of movable chattels and equipment costing more than five thousand dollars (\$5,000) and under the control of the governing authority. Upon completion, the inventory shall be certified by the governing authority as to correctness.

NMAC 2.2.2.10 (U) requires at least thirty days prior to any disposition of capital assets, written notification of the official finding and proposed disposition duly sworn and subscribed under oath by each member of the authority approving the action shall be sent to the state auditor.

Effect: The School did not comply with State Statute and New Mexico Administrative Code governing the annual inventory and disposal requirements for capital assets.

Cause: Internal controls did not operate effectively to ensure School's policies and procedures were followed.

Auditor's Recommendation: Enforce policies and procedures to ensure all items that meet the capitalization criteria of the School are identified and added to the School's capital asset inventory listing. Also, ensure that the annual inventory count is certified by the School's Governing Council. Lastly, ensure that the required notifications are sent to the Office of the State Auditor prior to any dispositions of fixed assets.

Management's Response: Walatowa High Charter School has included the fire alarm system to our Capital Assets listing. Walatowa High Charter School will submit their annual inventory count for certification by the Governing Council meeting, (tentatively), on November 15, 2017. Walatowa High Charter School completed the process of disposal with the State Motor Vehicle Department and received a disposed vehicle form to complete. Walatowa High Charter School is in contact with the Office of the State Auditor to process the disposal of the vehicle. The form should be completed by November 30, 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

WALATOWA HIGH CHARTER SCHOOL (CONTINUED)

2017-002 Procurement (Internal Control Structure and Other Non-Compliance)

Condition: The School did not have a chief procurement officer.

Criteria: NMSA 13-1-95.2 states "On or before January 1, 2015, the state purchasing agent shall establish a certification program for chief procurement officers that includes initial certification and recertification every two years for all chief procurement officers. In order to be recertified, a chief procurement officer shall pass a recertification examination approved by the secretary of general services."

Effect: The School is not in compliance with State Statute governing the need for a chief procurement officer.

Cause: The School does not have policies and procedures for assigning and ensuring that an active Chief Procurement Officer is maintained by the School.

Auditor's Recommendation: Design and implement policies and procedures to ensure an active Chief Procurement is designated by the School.

Management's Response: Walatowa High Charter School is in compliance with the State Statute for a Chief Procurement Officer as of October 20, 2017.

WILLIAM W. & JOSEPHINE DORN CHARTER SCHOOL

2016-003 Personnel Files (Compliance) Repeated and Modified

Condition: During internal control testwork over a sample of 25 payroll transactions, we noted the following:

- We noted an instance of an incomplete Federal Form I-9 as it was not completed in the employer certification section.
- We noted an instance of an incomplete W-4 that was missing the employee's social security number.

Criteria: NMAC 6.20.18 requires that schools maintain and have available for inspection the following employee record documentation: employee contracts, personnel/payroll action forms, certification records, employment eligibility verification (Federal Form I-9), pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application and direct deposit authorizations.

Effect: The School is not in compliance with NMAC 6.20.18 in regards to employee record documentation.

Cause: The School is not reviewing the personnel files for compliance with State requirements.

Auditor's Recommendation: Personnel files should be periodically reviewed to ensure all required personnel files documents have been obtained and are complete and accurate. The School should ensure controls are in place to obtain required payroll documents when employees initially begin employment.

Management's Response: William W. & Josephine Dorn Charter School will ensure that controls are in place so that all personnel files are being properly completed. William W. & Josephine Dorn Charter School will also ensure that files are being periodically reviewed and that all paperwork is up to date. This will be completed by December 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

WILLIAM W. & JOSEPHINE DORN CHARTER SCHOOL (CONTINUED)

2017-001 Retiree Health Care Contributions (Non-Compliance)

Condition: The School did not include certain stipends paid to employees as contributions to the New Mexico Retiree Healthcare Authority.

Criteria: Earnings covered for contributions include all salary remuneration to the member for services rendered whether included under a contract or not. Not covered for contribution purposes are reimbursements, lump-sum payments for unused, accrued sick leave and early retirement incentive payments.

Effect: The School is not in compliance with the Retirement Healthcare Act.

Cause: The School inadvertently excluded payments for summer stipends when calculating the Retiree Health Care Authority contributions.

Auditor's Recommendation: Ensure that retiree health care contributions are made in accordance with the applicable rules and regulations.

Management's Response: The business office will ensure that all payroll deductions are being deducted correctly from stipends. The financial system does not automatically deduct these deductions from stipends and the business office was unaware of this. William W. & Josephine Dorn Charter School is now aware of this issue and will ensure that all appropriate deductions are deducted from stipends in the future. This will be completed by December 31, 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2017**

Public Education Department

2013-003	Improve Other IT General Controls	Repeated
2016-001	Controls over Payroll	Resolved
2016-002	Controls over the State Equalization Guarantee Calculation	Resolved
2016-003	Subrecipient Monitoring	Resolved

Department of Vocational Rehabilitation

2014-003	Improve General IT Controls	Resolved
2014-007	Eligibility	Repeated
2016-004	Untimely Reconciliations	Resolved
2016-005	Lack of Review and Approval of Journal Entries	Resolved
2016-006	Controls over Payroll	Repeated
2016-007	Controls over Federal Disbursements	Resolved
2016-008	Standards for Documentation of Personnel Expenses	Resolved
2016-009	Improper Disposal of Capital Assets	Repeated

Academy of Trades and Technology

2015-001	Purchase Orders	Resolved
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Ace Leadership High School

2016-001	Budget Adjustment Requests	Resolved
2016-002	Chief Procurement Officer	Repeated

Albuquerque School of Excellence

2015-001	Internal Control Structure	Resolved
2016-001	Disbursements	Resolved

Albuquerque Sign Language Academy

2014-002	Staff Qualifications	Resolved
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Amy Biehl Charter High School

2014-001	Mileage Reimbursements	Resolved
2016-001	Vendor Overpayment	Resolved
2016-002	Timely Deposits	Resolved

Ask Academy

2015-001	Mileage Reimbursements	Resolved
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Ask Academy- Foundation

2016-001	Foundation Bookkeeping	Repeated
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2017**

Carinos De Los Ninos Charter School

2014-003	Unapproved Purchase Orders	Repeated
2015-002	Lack of Supporting Documentation and Authorization	Repeated
2016-001	PED Cash Report	Repeated
2016-002	Late Submission of Audit Report	Resolved
2016-003	Amounts Interfund Receivable/Payable Individual funds	Resolved
2016-004	Capital Asset Listing	Repeated
2016-001	Budgetary Conditions	Resolved

Cesar Chavez Community School

2016-001	Budgetary Conditions	Resolved
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Cien Aguas International School

2014-001	Internal Control Structure	Repeated
2014-002	Payroll Transactions	Resolved
2015-002	Budgetary Conditions	Repeated
2016-001	Timely Deposits	Resolved

Coral Community Charter School

2014-001	Cash Receipts	Resolved
2016-001	Internal Control Structure	Resolved
2016-002	Travel and Per Diem	Resolved

Cottonwood Classical Preparatory School

2014-002	Compliance with Payroll Recordkeeping	Resolved
2015-001	Controls Over Cash Disbursements	Repeated
2015-002	Travel and Per Diem	Resolved

Dream Dine Charter School

2015-001	Payroll and Personnel Files	Resolved
2016-001	Pledged Collateral	Resolved
2016-002	Staff qualifications and payroll	Resolved
2016-003	Excess of expenditures over budget	Repeated

Dzit Dit Lool DEAP

2016-001	Procurement	Repeated
2016-002	Excess of expenditures over budget	Repeated
2016-003	Internal controls and accounts payable	Resolved
2016-004	Audit committee structure	Repeated

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2017**

Estancia Valley Classical Academy

2015-001	Excess of Expenditures over Budget	Resolved
2015-002	Internal Control Structure over Payroll	Repeated
2016-001	Internal Control Structure over Disbursements	Resolved
2016-002	Retiree Health Care Contributions	Resolved
2016-003	Foundation Account Reconciliations	Resolved

Explore Academy

2015-002	Review and Approval of Purchases	Resolved
2016-001	Personnel Files	Repeated
2016-002	ERB and RHC Payroll Deductions	Resolved
2016-003	Travel and Per Diem	Resolved
2016-004	Timely Deposits	Resolved

Gilbert L. Sena Charter High School

2015-002	Budget Adjustment Requests	Resolved
2015-003	Purchase Orders	Resolved

Great Academy

2016-001	Procurement Documentation	Resolved
2016-002	Nepotism	Resolved

Health Leadership High School

2015-001	Cash Receipts	Repeated
2015-005	Budgetary Conditions	Repeated

Horizon Academy West

2016-001	Pledged Collateral Requirements	Resolved
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International School at Mesa Del Sol

2016-001	Journal Entry	Resolved
2016-002	Budgetary Condition	Resolved

J. Paul Taylor Academy

2015-002	Budgetary Condition	Resolved
2016-001	Cash Management	Resolved

La Jicarita Community School

2014-003	Payroll	Resolved
2016-001	Budgetary Conditions	Resolved
2016-002	Excess of Expenditures over Budget	Resolved
2016-003	Timely Deposits	Resolved

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2017**

La Promesa Early Learning Center

2014-001	Purchase Orders	Repeated
2015-001	Internal Control Over Cash Disbursement	Repeated
2015-002	Travel & Per-Diem	Repeated
2016-001	Internal Control Structure	Repeated
2016-002	Chief Procurement Officer	Resolved
2016-003	Budgetary Condition	Repeated
2016-004	Personnel Files	Repeated
2016-005	Cash Management	Repeated
2016-006	Audit Committee	Resolved

La Resolana Leadership Academy

2016-001	Purchase Orders	Resolved
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La Tierra Montessori School for the Arts and Sciences

2016-001	Expenditures Exceed Budget	Resolved
2016-002	Travel and Per Diem	Repeated

MASTERS Program

2014-002	Procurement Documentation	Repeated
2014-003	Personnel Files	Repeated

McCurdy Charter School

2014-003	Cash Deposits	Repeated
2014-007	Expenditures in Excess of Budgeted Amounts	Resolved

Mission Achievement and Success

2016-001	Procurement	Resolved
2016-002	Budgetary Condition	Resolved

Monte Del Sol Charter School

2016-001	Expenditures Exceed Budget	Repeated
2016-002	Controls over Cash Disbursements	Repeated
2016-003	Payroll Processing and Personnel File	Resolved
	Maintenance	
2016-004	Timely Deposits	Repeated
2016-005	Travel and Per Diem	Resolved
2016-006	Bank Reconciliations	Resolved

Montessori Elementary School

2016-001	Budgetary Condition	Resolved
2016-002	Cash Management	Resolved

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2017**

New America School

2016-001	Computer Dispositions	Resolved
2016-002	Internal Control Structure	Resolved
2016-003	Timely Deposits	Resolved

New Mexico Connections Academy

2016-001	Background Check	Resolved
2016-002	Travel and Per Diem Calculation	Resolved
2016-003	Disbursement for Unallowable Cost	Resolved

New Mexico School for the Arts

2016-001	Payroll Transactions	Resolved
2016-002	Timely Deposits	Resolved

North Valley Academy

2015-001	Procurement Documentation	Resolved
2016-001	Receiving Documentation	Resolved

Red River Valley Charter School

2015-001	Procurement	Repeated
2015-002	Payroll	Resolved
2016-001	ERB & RHC Contributions and Reports	Repeated
2016-002	School Business Official Licensure	Resolved

Roots and Wings Community School

2014-001	Internal Controls over Receipts	Repeated
2015-001	Journal Entry Review and Approval	Resolved
2015-003	Internal Control over Disbursements	Repeated

Sage Montessori Charter School

2014-002	Personnel Files	Repeated
2015-002	Payroll Transactions	Resolved
2016-001	Internal Control Structure	Resolved

Sandoval Academy of Bilingual Education

2016-001	Procurement	Repeated
2016-002	Timely Deposits	Resolved
2016-003	Internal Control Structure and disbursements	Resolved
2016-004	Excess of Expenditures over Budget	Resolved
2016-005	Cash Control	Resolved

School of Dreams Academy

2015-001	Cash Disbursements	Repeated
2015-002	Expenditures Exceed Budget	Repeated

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2017**

South Valley Preparatory Schools

2016-001 Purchase Requisition Resolved

Southwest Aeronautics, Mathematics, & Science Academy

2016-001 Capital Assets Resolved

2016-002 Pledged Collateral Resolved

2016-003 Controls over Cash Disbursements Repeated

2016-004 Cash Deposit Requirements Resolved

2016-005 Payroll Repeated

Southwest Intermediate Learning Center

2016-001 Capital Assets Resolved

2016-002 Pledged Collateral Resolved

2016-003 Payroll Repeated

Southwest Primary Learning Center

2016-001 Capital Assets Resolved

2016-002 Pledged Collateral Resolved

2016-003 Controls over Cash Disbursements Resolved

2016-004 Payroll Repeated

Southwest Secondary Learning Center

2016-001 Capital Assets Resolved

2016-002 Pledged Collateral Resolved

2016-003 Controls over Cash Disbursements Repeated

2016-004 Cash Deposit Requirements Resolved

2016-005 Payroll Repeated

Taos Academy

2016-001 Excess of Expenditures over Budget Resolved

2016-002 Disposition of Computers Resolved

Taos Integrated School of the Arts

2016-001 Internal Control Structure Repeated

2016-002 ERB Contributions and Reports Resolved

Taos International Charter School

2016-001 Internal Control Structure and Payment for Services Repeated

2016-002 Internal Control Structure and Payroll Resolved

2016-003 Internal Control Structure and Retiree Health Care Contributions Resolved

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2017**

Technology Leadership High School

2016-001	Procurement Code	Repeated
2016-002	Disbursements	Resolved
2016-003	Internal Control	Resolved
2016-004	ERB Contributions	Resolved
2016-005	Lack of internal controls over accounting records	Resolved

Tierra Adentro

2015-001	Internal Control Structure, FICA Calculation	Repeated
2016-001	Excess of Expenditures over Budget	Repeated
2016-002	Internal Control Structure	Resolved

Tierra Encantada Charter School

2016-001	Purchase Orders	Resolved
2016-002	Athletic Equity Act	Resolved
2016-003	Journal Entry	Resolved

Turquoise Trail Charter School

2016-001	Payroll	Repeated
2016-002	Disbursements	Resolved
2016-003	Cash Receipts	Resolved
2016-004	Travel and Per Diem	Resolved
2016-005	Internal Controls and Capital Assets	Resolved
2016-006	Annual Inventory	Resolved
2016-007	Excess of Expenditures over Budget	Repeated
2016-008	Budgetary Conditions	Resolved

Uplift Community School

2014-001	Supporting Documentation	Resolved
2015-001	Personnel Files	Resolved
2015-003	Purchase orders subsequent to Invoice	Repeated

Walatowa High Charter School

2013-004	Travel and Per Diem/Internal Controls	Resolved
2014-001	Internal Control Structure	Resolved
2014-002	Payroll Transactions	Repeated
2016-001	ERB Contributions	Resolved
2016-002	Internal Control over Cash Disbursements	Repeated
2016-003	Budgetary Conditions	Resolved

William W. & Josephine Dorn Charter Community School

2015-001	Excess of Expenditures over Budget	Resolved
2016-001	New Mexico Employee Retirement Board	Resolved
2016-002	Staff Qualifications	Resolved
2016-003	Personnel Files	Repeated
2016-004	Internal Controls Structure and Payroll	Resolved

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Public Education Department

<i>Date of Exit Conference:</i>	November 20, 2017	
<i>Representing Public Education Department:</i>	Marian Rael	Acting Deputy Secretary, Finance and Operations
	Chris Narkun	Director of Operations
	Amelia Saiz	Acting ASD Director/CFO/Audit and Accounting Bureau Chief
	David Craig	Director, School Budget and Finance and Analysis Bureau
<i>Representing Axiom CPAs:</i>	Jaime Rumbaoa	Partner
<i>Representing Loftis Group LLC:</i>	Joshua Trujillo	Senior Manager
<i>Representing Pattillo Brown and Hill:</i>	John Gordon	Partner
<i>Representing Pattillo Brown and Hill:</i>	Heather Lucero	Manager

Department of Vocational Rehabilitation

<i>Date of Exit Conference:</i>	November 20, 2017	
<i>Representing Department of Vocation Rehabilitation:</i>	Kent DeYoung	Chief Financial Officer, Division of Vocational Rehabilitation
	Eileen Marrujo	Deputy Director, DVR Administrative Services Unit
<i>Representing Axiom CPAs:</i>	Jaime Rumbaoa	Partner
<i>Representing Loftis Group LLC:</i>	Joshua Trujillo	Senior Manager
<i>Representing Pattillo Brown and Hill:</i>	John Gordon	Partner
<i>Representing Pattillo Brown and Hill:</i>	Heather Lucero	Manager

Academy of Trades and Technology

<i>Date of Exit Conference:</i>	November 7, 2017	
<i>Representing Academy of Trades and Technology:</i>	Joaquin Chavez	Foundation President
	Bruce Bixby	Governing Council Member
	Karen Griego-Sanchez	Principal
	Al Martinez	Business Manager
	Elizabeth Franco	Assistant Business Manager
<i>Representing Pattillo Brown and Hill:</i>	John Gordon	Partner

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

ACE Leadership High School

Date of Exit Conference: October 31, 2017

Representing ACE Leadership High School:

Sam Hatchell	Board President
Kari Juvera	Board Treasurer
Tori-Stephens-Shauger	Head Administrator/Principal
Leslie Lujan	Business Manager/Finance Director

Representing Pattillo Brown and Hill:

John Gordon	Partner
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Albuquerque Institute for Mathematics & Science

Date of Exit Conference: October 26, 2017

Representing Albuquerque Institute for Mathematics & Science:

Diana Cordova	Audit Committee Member
Steven Smith	Governing Council Member
Kathy Sandoval	Director

Representing Axiom CPAs:

Jaime Rumbaoa	Partner
Shaynae Vasquez	Senior

Albuquerque School of Excellence

Date of Exit Conference: October 30, 2017

Representing Albuquerque School of Excellence:

Dr. Ebubekir Orsun	Principal
Sean Fry	Business Manager
Kathy Bustos-Garcia	Governing Council Member
Prince Thomas	Audit Committee Member

Representing Loftis Group LLC:

Lonnie Juarez	Principal
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Albuquerque Sign Language Academy

Date of Exit Conference: October 30, 2017

Representing The Albuquerque Sign Language Academy:

Jane Cavanaugh	Board Member
Raphael Martinez	Executive Director
Diana Cordova	Business Manager

Representing Loftis Group LLC:

Armando Sanchez	Managing Principal
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Aldo Leopold High School

Date of Exit Conference: November 2, 2017

Representing Aldo Leopold High School:

Harry Browne	Business Manager
Mattie Eagle, CPA	Audit Committee Member
David Peck	Governing Council Member
Martin Maxwell	Governance Council Member

Representing Pattillo Brown and Hill:

John Manning	Partner
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Alma D' Arte Charter High School

Date of Exit Conference: October 20, 2017

Representing Alma D' Arte Charter High School:

Mark Hartshorne	Principal
Juliette Sanchez	Business Manager
Casilda Provencio	Governance Council Member
Gene Elliott	Governance Council Member

Representing Pattillo Brown and Hill:

Paula Lowe	Partner
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Amy Biehl Charter High School

Date of Exit Conference: October 23, 2017

Representing Amy Biehl Charter High School:

Cliff Wintrode	Board Member
Leslie Andrews	Board Member
Frank McCulloch	Executive Director
Betty Seeley	Director of Finance
Aldis Philipbar	Advancement Coordinator for Foundation

Representing Pattillo Brown and Hill: David Baca Senior Auditor

Anthony Charter School

Date of Exit Conference: November 8, 2017

Representing Anthony Charter School:

Kyle Hunt	Business Manager
Jimmy Gonzalez	Head Administrator/Principal
Denise Marnalego	Administrative Assistant
Barbie Garcia	Audit Committee Member
Charles Wendler	Audit Committee Member

Representing Pattillo Brown and Hill: John Manning Partner

Ask Academy

Date of Exit Conference: November 3, 2017

Representing The Ask Academy:

Dan Barbour	Principal
Dan Busse	General Manager
Justine Vigil	Business Manager
Mike Smith	Board Chair
David Spolin	Board President
Connie Dove	Foundation Director

Representing Axiom CPAs: Francisco Teran Associate
Yasmeen Jalil Associate

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Carinos De Los Ninos Charter School

Date of Exit Conference: November 15, 2017

*Representing Carinos De Los Ninos
Charter School:*

Dr. Juanita Cata	Board President
Leo R. Marquez II	Board President
Vernon Jaramillo	Chancellor
Corrine Teller	Business Manager

Representing Pattillo, Brown & Hill:

David Baca	Audit Lead
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Cesar Chavez Community School

Date of Exit Conference: October 24, 2017

*Representing Cesar Chavez Community
School:*

Tani Arness	Principal
Kate Shelton	Business Manager
Al Bodmer	Audit Committee Member
Gayle Nissen	Audit Committee Member

Representing Loftis Group LLC:

Lonnie Juarez	Principal
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Cien Aguas International School

Date of Exit Conference: October 26, 2017

*Representing Cien Aguas International
School:*

Casey Benavidez	Executive Director
Ruby Chavez	Business Manager
Lisa Meyer	Governance Council Member

Representing Loftis Group LLC:

Armando Sanchez	Principal
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Coral Community Charter School

Date of Exit Conference: November 1, 2017

Representing Coral Community Charter:

Lori Bachmen	Executive Director
Angie Lerner	Business Manager
Tania Triolo	Governance Council Member
Michael Reeves, CPA	Audit Committee Member
Josh Popkey	Audit Committee Member
Greg Maynard	Audit Committee Member

Representing Loftis Group LLC: Frank Lovato Principal

Cottonwood Classical Preparatory School

Date of Exit Conference: October 26, 2017

Representing Cottonwood Classical Preparatory School:

Nick Williams	Board Treasurer
Michael Vigil	Business Manager
Sam Obenshain	Executive Director

Representing Axiom CPAs: Reina Gutierrez Associate

Dream Dinè Charter School

Date of Exit Conference: October 26, 2017

Representing Dream Dinè Charter School:

Charlotte Archuleta	Business Manager
Telletha Valenski	Board President
Tina Deschenie	Principal

Representing Loftis Group LLC:

Nick Loftis, CPA	Principal
Josh Trujillo, CPA	Senior Manager

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Dził Dit Ł'ooí DEAP

Date of Exit Conference: November 1, 2017

Representing Dził Dit Ł'ooí DEAP Charter School:

Prestene Garnenez	Director of Operations
Louella Poblano	Head Administrator
Benita Litson	Board President
Sean Fry	Business Manager

Representing Loftis Group LLC:

Nick Loftis, CPA	Principal
Josh Trujillo, CPA	Principal

Estancia Valley Classical Academy

Date of Exit Conference: November 7, 2017

Representing Estancia Valley Classical Academy:

Harlan Lawson	Audit Committee Member
Tim Theiry	Executive Director
Holly Massey	Business Manager
Alisha Urquhart	Foundation Treasurer
Roger Lenard	Audit Committee Member

Representing Loftis Group LLC:

Lonnie Juarez	Principal
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Explore Academy

Date of Exit Conference: November 9, 2017

Representing Explore Academy:

Justin Baiardo	Principal
Ashley Wolfel	Business Manager
Kelly Gwartney	Audit Committee Member
Ralph Montano	Board Member
Ray Barton	Board Member

Representing Axiom CPAs:

Monica Yaple, CPA	Audit Manager
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Gilbert L. Sena Charter High School

Date of Exit Conference: November 8, 2017

Representing Gilbert L. Sena Charter High School:

Mary Louise Sena	Governing Council President
Tanya Otero-Villalobos	Governing Council Vice President
Nadine Torres	Executive Director
Ashley Wolfel	Business Manager

Representing Pattillo Brown and Hill:

Chris Pruitt	Partner
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GREAT Academy

Date of Exit Conference: October 19, 2017

Representing The Great Academy:

Helen Brown	Board Member
Jasper Matthews	Executive Director
Chenyu Liu	Business Manager
Audrey Jaramillo	Consultant
	Student/Community Outreach
Danielle Provo	Coordinator

Representing Loftis Group LLC:

Armando Sanchez	Partner
Joshua Trujillo	Senior Manager

Health Leadership High School

Date of Exit Conference: November 1, 2017

Representing Health Leadership High School:

Blanca Lopez	Principal
David Vigil	Business Manager
Christopher Rivera	Board Member

Representing Loftis Group LLC:

Armando Sanchez	Principal
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Horizon Academy West

Date of Exit Conference: November 2, 2017

Representing Horizon Academy West: Storm Gonzalez Governing Council Member
Diana Cordova Business Manager

Representing Loftis Group LLC: Lonnie Juarez Principal

International School at Mesa Del Sol

Date of Exit Conference: November 3, 2017

*Representing The International School
at Mesa Del Sol:* Anne Lacy Governing Council President
Leanne Jenkins Governing Council Member
Barbara Langmaid Head of School
Elizabeth Romero Business Manager

Representing Pattillo Brown and Hill: Greg Shropshire Partner

J. Paul Taylor Academy

Date of Exit Conference: October 31, 2017

Representing J. Paul Taylor Academy: Eric Ahner Executive Director
Richard Hernandez Governing Council President
Gina Trujillo Business Manager
Monica Lopez Audit Committee Member
Corree Fox King Audit Committee Member
Yvette Turrieta Audit Committee Member

Representing Pattillo Brown and Hill: John Manning Partner

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

La Academia Dolores Huerta

Date of Exit Conference: November 16, 2016

Representing La Academia Dolores Huerta:

Steve Pereira	Governing Council President
Melissa Miranda	Interim Head Administrator
Mirna Rodriguez	Business Specialists
Juliette Sanchez	Business Manager

Representing Patillo Brown and Hill:

Chris Pruitt	Partner
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La Jicarita Community School

Date of Exit Conference:

Representing La Jicarita Community School:

School has ceased operations. No Management available for exit conference.

Representing Loftis Group LLC:

La Promesa Early Learning Center

Date of Exit Conference: November 10, 2017

Representing La Promesa Early Learning Center:

Chris Jones	Head of School
Julian Munoz	Governing Council Member
Andrew Mathis	Audit Committee Member
Brenda Baca	Audit Committee Member
Mike Vigil II	Business Manager

Representing Patillo Brown and Hill:

Heather Lucero	Audit Lead
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

La Resolana Leadership Academy

Date of Exit Conference: October 30, 2017

Representing La Resolana Leadership Academy:

Sam Pantoja	Audit Committee Member
Robert Leming	Governing Council Member
Dr. Don Duran	Governing Council President
Sean Fry	Business Manager
Justina Montoya	Principal

Representing Pattillo Brown and Hill: Grep Shropshire Partner

La Tierra Montessori School of the Arts and Sciences

Date of Exit Conference: November 2, 2017

Representing La Tierra Montessori School of the Arts and Sciences:

Julie Ann Hill – Clapp	Board President
Edwin Fernandez	Audit Committee Member
Ron Martinez	Board Member
Alvaro Aragoniz	Audit Committee Member
Deanna Gomez	Business Management Consultant

Representing Axiom CPAs: Monica Yapple, CPA Audit Manager

Las Montanas Charter School

Date of Exit Conference: October 30, 2017

Representing Las Montanas Charter School:

Geri Bennett	Business Manager
Caz Martinez	Superintendent
Michael Davis	Board President
Kevin Freitas	Audit Committee Member

Representing Pattillo Brown and Hill: Chris Pruitt Partner

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

MASTERS Program

Date of Exit Conference: October 10, 2017

Representing The MASTERS Program: John Triolo Audit Committee Member
Anne Salzman Head of School
Lisa Lucas Business Manager

Representing Pattillo Brown and Hill: John Gordon Partner

McCurdy Charter School

Date of Exit Conference: November 10, 2017

Representing McCurdy Charter School: Michele Lucci Administrator
Nancy O'Bryan Audit Committee Member
Chris Samora Audit Committee Member
Deborah Bennett-Anderson Governing Council Chair
Deanna Gomez Business Manager

Representing Axiom CPAs: Joshua Trujillo Senior Manager
Armando Sanchez Managing Principal

Media Arts Collaborative Charter School

Date of Exit Conference: October 26, 2017

Representing Media Arts Collaborative Charter School: Patti Gladstone Audit Committee Member
Jonathan Dooley Principal
Patrick Kelly Business Manager

Representing Pattillo Brown and Hill: John Gordon Partner

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Mission Achievement and Success Charter School

Date of Exit Conference: November 3, 2017

*Representing Mission Achievement and
Success Charter School:*

Bruce Langston	Board Member
JoAnn Mitchell	Principal
Michael J. Vigil, CPA	Business Manager

Representing Pattillo Brown and Hill:

David Baca	Audit Lead
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Monte Del Sol Charter School

Date of Exit Conference: November 3, 2017

*Representing Mission Achievement and
Success Charter School:*

Maria Fidalgo	Business Manager
Darlene Maestas	Board Member
Theresa Martinez	Board Member
Robert Jessen	Principal

Representing Axiom CPAs:

Reina Gutierrez	Associate
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Montessori Elementary School

Date of Exit Conference: November 8, 2017

*Representing The Montessori
Elementary School:*

Jeff Li	Audit Committee Member
Mary Jane Besante	Principal
Stanley Albrycht	Business Manager

Representing Pattillo Brown and Hill:

Wendy Lopez	Audit Lead
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

New America School

<i>Date of Exit Conference:</i>	October 16, 2017	
<i>Representing New America School:</i>	Craig Cook	Chief Financial Officer
	Lorella Lovato	Assistant Business Manager
	Charlotte Archuleta	Audit Committee Member
	Mike Vigil II	Business Manager
	Juan Vigil	Governing Council Member
	Kendra Lawson	Audit Committee Member
<i>Representing Loftis Group LLC:</i>	Lonnie Juarez	Principal

New America School of Las Cruces

<i>Date of Exit Conference:</i>	November 7, 2017	
<i>Representing New America School of Las Cruces:</i>	Margarita Porter	Principal
	Susie Kimble	Governing Council President
	Veronica Gonzalez	Office Manager
	Mike Vigil II	Business Manager
<i>Representing Pattillo Brown and Hill:</i>	Paula Lowe	Partner

New Mexico Connections Academy

<i>Date of Exit Conference:</i>	November 7, 2017	
<i>Representing New Mexico Connections Academy:</i>	Ramoncita Arguello	Principal
	Justine Vigil	Business Manager
	Jerry Schalow	Board Member
<i>Representing Pattillo, Brown and Hill:</i>	David Baca	Audit Lead

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

New Mexico School for the Arts

Date of Exit Conference: November 1, 2017

Representing New Mexico School for the Arts:

Eric Crites	Head of School
Cindy Montoya	President, Art Institute
Maria Fidalgo, CPA	Business Manager
Paula Tackett	Secretary
Shelly Felt	Audit Committee Member

Representing Loftis Group LLC:

Frank Lovato	Principal
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North Valley Academy

Date of Exit Conference: October 19, 2017

Representing North Valley Academy:

Robert Montoya	Governing Council Member
Robert Taylor	Governing Council Member
Ed Woodd	Chief Operating Officer
Susan McConnell	Principal
Sara Piña	Business Manager

Representing Pattillo Brown and Hill:

David Baca	Audit Senior
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Red River Valley Charter School

Date of Exit Conference: October 31, 2017

Representing Red River Valley Charter School:

Karen Phillips	Principal
Sean Fry	Business Manager
Courtney Henderson	Governing Council Member

Representing Loftis Group LLC:

Lonnie Juarez	Principal
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Roots and Wings Community School

Date of Exit Conference: October 27, 2017

*Representing Roots and Wings
Community School:*

Stephanie Owens	Board Member
Randy Green	Principal
Charlotte Archuleta	Business manager
Armando Sanchez	Managing Principal

Representing Loftis Group, LLC:

Sage Montessori Charter School

Date of Exit Conference: November 1, 2017

*Representing Sandoval Academy of
Bilingual Learning:*

Amber Pena	Business Manager
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Representing Loftis Group LLC:

Lonnie Juarez	Principal
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Sandoval Academy for Bilingual Education

Date of Exit Conference: October 31, 2017

*Representing Sandoval Academy of
Bilingual Learning:*

Jackie Rodriguez	Principal/Director
Ashley Wolfel	Business Manager
Brennan Divett	President
Mario Martinez	Audit Committee
Sue Aguayo	Parent

Representing Loftis Group LLC:

Frank T. Lovato, CPA	Principal
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

School of Dreams Academy

Date of Exit Conference: November 2, 2017

Representing School of Dreams Academy:

Michael Ogas	Principal
Kerra Howe	Foundation President
Geri Bennett	Business Manager
Kenneth Griego	Governing Council Member

Representing Axiom CPAs and Business Advisors LLC:

Reina Gutierrez	Associate
Yasmeen Jalil	Associate

Six Directions Indigenous School

Date of Exit Conference: November 1, 2017

Representing Six Directions Indigenous School:

Dr. Oliver Tapaha	Board Member
Susan Estrada	Board Member
Stephanie Vicenti	Head Administrator
Amber Pena	Business Manager

Representing Pattillo Brown and Hill:

David Baca	Audit Lead
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South Valley Preparatory School

Date of Exit Conference: October 25, 2017

Representing South Valley Preparatory School:

Charlotte Trujillo	Principal
Rhonda Cordova	Business Manager
Monica Aguilar	Board Member

Representing Pattillo Brown and Hill:

Heather Lucero	Audit Lead
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Southwest Aeronautics, Mathematics, and Science Academy

Date of Exit Conference: November 9, 2017

*Representing Southwest Aeronautics,
Mathematics and Science Academy:*

Coreen Carrillo	Principal
Sean Fry	Business Manager
Rhonda Joyce	On-Site Business Manager
Larry Kennedy	Board President
Joe Nickerson	Audit Committee Member

Representing Axiom CPAs: Monica Yaple, CPA Audit Manager

Southwest Intermediate Learning Center

Date of Exit Conference: November 9, 2017

*Representing Southwest Intermediate
Learning Center:*

Walter Feldman	Interim Head Administrator
Sean Fry	Business Manager
Abby Lewis	Attorney
Rich Brody	Audit Committee Member
Cheryle Brody	Board Member
Deborah Lansdell	Board Member
C Stephen Sanders, CPA	Audit Committee Member

Representing Axiom CPAs: Monica Yaple, CPA Audit Manager

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Southwest Primary Learning Center

Date of Exit Conference: November 7, 2017

Representing Southwest Primary Learning Center:

Robert Pasztor	Principal
Maria Foster	On-Site Business Manager
Sean Fry	Business Manager
Renee Morgan	Administrator Intern
Leah Graham	Board President
Meredith Winters	Board Member
Gabe Hollimon	Audit Committee Member
Paul Lindberg	Audit Committee Member
Aaron Redd	Audit Committee Member

Representing Axiom CPAs: Monica Yaple, CPA Audit Manager

Southwest Secondary Learning Center

Date of Exit Conference: November 9, 2017

Representing Southwest Secondary Learning Center:

Walter Feldman	Interim Head Administrator
Sean Fry	Business Manager
Abby Lewis	Attorney
Cheryle Brody	Board President
Deborah Lansdell	Board Member
Rich Brody	Audit Committee Member
C Stephen Sanders, CPA	Audit Committee Member

Representing Axiom CPAs: Monica Yaple, CPA Audit Manager

Taos Academy Charter School

Date of Exit Conference: November 6, 2017

Representing Taos Academy:

Traci Filiss	Director
Deanna Gomes	Business Manager
Bill MacDonald	Governing Council President
Karen Shannon	Audit Committee Member

Representing Loftis Group LLC: Nick Loftis Principal

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Taos Integrated School of the Arts

Date of Exit Conference: November 6, 2017

Representing Taos Integrated School of the Arts:

Richard Greywolf	Director
Deanna Gomez	Business Manager
Nancy Burt	Audit Committee Member
Karen Shannon	Audit Committee Member
Jill Cline	Governing Council President

Representing Loftis Group LLC:

Lonnie Juarez	Principal
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Taos International Charter School

Date of Exit Conference: October 27, 2017

Representing Taos International Charter School:

Nadine Vigil	School Principal
Justine Vigil	Business Manager
Carla Romero	Board President

Representing Loftis Group LLC:

Nick Loftis	Principal
Brooke Whitmore	Supervisor

Technology Leadership High School

Date of Exit Conference: October 31, 2017

Representing Technology Leadership High School:

Yolanda Tafoya	Finance Director
Kara Cortazzo	Principal/Executive Director
Al Hernandez	Governing Council Member

Representing Loftis Group LLC:

Nick Loftis	Principal
Brooke Whitmore	Supervisor

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Tierra Adentro

Date of Exit Conference: November 1, 2017

Representing Tierra Adentro:

Veronica Torres	Executive Director
Theresa Archuleta	Principal
Amber Pena	Business Manager
Joy Maez	Audit Committee Member
Sandra Martinez	Governing Council Member
Ted Baca	Governing Council Member

Representing Loftis Group LLC: Lonnie Juarez Principal

Tierra Encantada Charter School

Date of Exit Conference: November 7, 2017

Representing Tierra Encantada Charter School:

Steve Alarid	Business Manager
Danny Pena	Director
Nicholas Maestas	Audit Committee Chairman
Melanie Gonzales	Audit Committee Member
Jeremy Turner	Audit Committee Member
Celedina Coss	Board Member
Eva Olascoaga	Assistant Business Manager
Teresa Martinez	Business Office

Representing Pattillo Brown and Hill: Heather Lucero Audit Supervisor

Turquoise Trail Charter School

Date of Exit Conference: October 19, 2017

Representing Turquoise Trail Charter School:

Dr. Ray Griffin	Head Administrator
Jenny Chrysler, CPA	Business Manager
Floyd J. Trujillo	President
Kevin Stack	Audit Committee
Meaghan Duffy, CPA	Audit Committee

Representing Loftis Group LLC: Frank T. Lovato, CPA Principal

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2017**

Uplift Community School:

Date of Exit Conference:

Representing Uplift Community School: School has ceased operations. No Management available for exit conference.

Representing Pattillo Brown and Hill:

Walatowa High Charter School

Date of Exit Conference: October 25, 2017

Representing Walatowa High Charter School:

Arrow Wilkinson	Principal
Katherine M. Toy	Business Manager
Francine Garcia	Gear-Up Coordinator and Parent
Richard Wasilewski	Finance Committee

Representing Loftis Group LLC: Frank T. Lovato, CPA Principal

William W. & Josephine Dorn Charter Community School

Date of Exit Conference: October 24, 2017

Representing William W. & Josephine Dorn Charter Community School:

Ellen Esquibel Bellamy	Director
Amber Pena	Business Manager
Esperanza Dodge	Board Member
Juan Martinez	Board Member

Representing Loftis Group: Frank Lovato Principal

The financial statements presented in this report have been prepared by the independent auditor. However, they are the responsibility of management, as addressed in the Independent Auditors' Report.

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2017

VOLUME III



**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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ACADEMY OF TRADES & TECHNOLOGY

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 528,953
Receivables	
Due from Other Governments	54,278
Deposits	1,500
	<hr/>
Total Current Assets	584,731
	<hr/>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	331,490
Vehicles	67,361
Building and Improvements	1,852,669
Less: Accumulated Depreciation	(670,835)
	<hr/>
Total Noncurrent Assets	1,580,685
	<hr/>
Total Assets	2,165,416
	<hr/>

Deferred Outflows - Pension Related	375,825
	<hr/>

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	17,640
Accrued Liabilities	7,701
Compensated Absences	15,687
Current Portion of Long-Term Debt	131,517
	<hr/>
Total Current Liabilities	172,545
	<hr/>

Noncurrent Liabilities:

Long-Term Debt	508,740
Net Pension Liability	1,999,169
	<hr/>
Total Noncurrent Liabilities	2,507,909
	<hr/>
Total Liabilities	2,680,454
	<hr/>

Deferred Inflows - Pension Related	111,639
	<hr/>

NET POSITION

Net Investment in Capital Assets	940,428
Restricted	183,412
Unrestricted (Deficit)	(1,374,692)
	<hr/>
Total Net Position	\$ (250,852)
	<hr/>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 722,713	-	177,036	-	(545,677)
Support Services:					
Students	318,205	-	-	-	(318,205)
Instruction	1,574	-	-	-	(1,574)
General Administration	31,724	-	-	-	(31,724)
School Administration	245,453	-	-	-	(245,453)
Central Services	190,622	-	-	-	(190,622)
Operation & Maintenance of Plant	280,134	-	-	-	(280,134)
Community Services Operations	6,214	-	-	-	(6,214)
Other Support Services	8,217	-	-	-	(8,217)
Student Transportation	6,073	-	-	-	(6,073)
Food Services	31,741	3	28,725	-	(3,013)
Facilities Materials, Supplies & Other Services	296,279	-	-	101,603	(194,676)
Total Governmental Activities	\$ 2,138,949	3	205,761	101,603	(1,831,582)
General Revenues:					
Property Taxes					\$ 138,012
State Equalization Guarantee					1,415,946
Miscellaneous					186,339
Total General Revenues					<u>1,740,297</u>
Change in Net Position					(91,285)
Net Position (Deficit), Beginning of Year					<u>(159,567)</u>
Net Position (Deficit), Ending					<u><u>\$ (250,852)</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 258,757	11,959	-	-
Accounts Receivable				
Due from Government	-	-	-	16,826
Due from Other Funds	49,831	-	-	-
Due from Foundation - School	-	-	-	-
Deposits	1,500	-	-	-
Total Assets	\$ 310,088	11,959	-	16,826
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 9,343	3,196	-	-
Accrued Expenditures	4,315	-	-	2,370
Due to Other Funds	-	-	1,078	14,456
Total Liabilities	13,658	3,196	1,078	16,826
<i>Fund Balances (Deficit)</i>				
Fund Balance:				
Nonspendable:				
Deposits	1,500	-	-	-
Restricted for:				
Instruction	-	8,763	-	-
Food Service Operations	-	-	(1,078)	-
Capital Improvements	-	-	-	-
Unassigned (Deficit)	294,930	-	-	-
Total Fund Balance (Deficit)	296,430	8,763	(1,078)	-
Total Liabilities and Fund Balances	\$ 310,088	11,959	-	16,826

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title I School Improvement 24162	Dual Credit 27103	2012 SB-66 Student Library 27107	Truancy Initiative 27141
-	-	-	-	-	-
13,770	-	325	-	-	15,004
-	-	-	-	-	-
-	-	-	-	-	-
<u>13,770</u>	<u>-</u>	<u>325</u>	<u>-</u>	<u>-</u>	<u>15,004</u>
-	-	585	-	-	-
492	-	-	-	-	524
13,278	-	325	-	-	14,480
<u>13,770</u>	<u>-</u>	<u>910</u>	<u>-</u>	<u>-</u>	<u>15,004</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(585)	-	-	-
-	-	(585)	-	-	-
<u>13,770</u>	<u>-</u>	<u>325</u>	<u>-</u>	<u>-</u>	<u>15,004</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Balance Sheets - Governmental Funds - (Continued)
June 30, 2017

	NM School Meal Program 27183	Grads Instruction 28190	Grads Plus 28203	Private Direct Grants 29102
ASSETS				
Cash and Cash Equivalents	\$ -	-	175	-
Accounts Receivable				
Due from Government	-	-	-	6,214
Due from Other Funds	-	-	-	-
Due from Foundation - School	-	-	-	-
Deposits	-	-	-	-
Total Assets	\$ -	-	175	6,214
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	-	175	-
Accrued Expenditures	-	-	-	-
Due to Other Funds	-	-	-	6,214
Total Liabilities	-	-	175	6,214
<i>Fund Balances (Deficit)</i>				
Fund Balance:				
Nonspendable:				
Deposits	-	-	-	-
Restricted for:				
Instruction	-	-	-	-
Food Service Operations	-	-	-	-
Capital Improvements	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balance (Deficit)	-	-	-	-
Total Liabilities and Fund Balances (Deficit)	\$ -	-	175	6,214

Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Ad Valorem 31701	Foundation	Total
-	143,179	-	28,909	85,974	528,953
-	1,437	-	702	-	54,278
-	-	-	-	-	49,831
-	-	-	-	-	-
-	-	-	-	-	1,500
-	144,616	-	29,611	85,974	634,562
-	-	-	-	4,341	17,640
-	-	-	-	-	7,701
-	-	-	-	-	49,831
-	-	-	-	4,341	75,172
-	-	-	-	-	1,500
-	-	-	-	-	8,763
-	-	-	-	-	(1,078)
-	144,616	-	29,611	-	174,227
-	-	-	-	81,633	375,978
-	144,616	-	29,611	81,633	559,390
-	144,616	-	29,611	85,974	634,562

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 559,390**

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

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

Capital Assets	2,251,520	
Accumulated Depreciation	(670,835)	1,580,685

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		375,825
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Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		
Long-Term Debt	(640,257)	
Compensated Absences	(15,687)	(655,944)

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		(1,999,169)
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(111,639)

Net Position (Deficit) - Total Governmental Activities **\$ (250,852)**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	(3,460)	-	-	-
State Grant	1,415,946	7,314	-	-
Federal Grant	-	-	28,725	49,194
Charges for Services	-	-	3	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>1,412,486</u>	<u>7,314</u>	<u>28,728</u>	<u>49,194</u>
EXPENDITURES				
Current:				
Instruction	575,089	15,508	-	49,194
Support Services:				
Students	261,737	-	-	-
Instruction	-	-	-	-
General Administration	31,724	-	-	-
School Administration	245,453	-	-	-
Central Services	190,622	-	-	-
Operation & Maintenance of Plant	279,038	-	-	-
Student Transportation	6,073	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	31,741	-
Community Services Operation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>1,589,736</u>	<u>15,508</u>	<u>31,741</u>	<u>49,194</u>
Net Changes in Fund Balances	<u>(177,250)</u>	<u>(8,194)</u>	<u>(3,013)</u>	<u>-</u>
Fund Balances(Deficit) - Beginning of Year	<u>473,680</u>	<u>16,957</u>	<u>1,935</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 296,430</u>	<u>8,763</u>	<u>(1,078)</u>	<u>-</u>

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

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title I School Improvement 24162	Dual Credit 27103	2012 SB-66 Student Library 27107	Truancy Initiative 27141
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	387	-	50,001
29,833	7,566	19,570	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>29,833</u>	<u>7,566</u>	<u>19,570</u>	<u>387</u>	<u>-</u>	<u>50,001</u>
29,833	7,566	19,800	387	-	-
-	-	-	-	-	50,001
-	-	-	-	(1,776)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>29,833</u>	<u>7,566</u>	<u>19,800</u>	<u>387</u>	<u>(1,776)</u>	<u>50,001</u>
-	-	(230)	-	1,776	-
-	-	(355)	-	(1,776)	-
-	-	(585)	-	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Grads Instruction 28190	Grads PLUS 28203	Private Direct Grants 29102	Public School Capital Outlay 31200
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	8,000	8,631	-	101,603
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	6,214	-
Total Revenues	<u>8,000</u>	<u>8,631</u>	<u>6,214</u>	<u>101,603</u>
EXPENDITURES				
Current:				
Instruction	-	8,631	-	-
Support Services:				
Students	7,003	(536)	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operation	-	-	6,214	-
Capital Outlay	-	-	-	101,603
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>7,003</u>	<u>8,095</u>	<u>6,214</u>	<u>101,603</u>
Net Changes in Fund Balances	<u>997</u>	<u>536</u>	<u>-</u>	<u>-</u>
Fund Balances(Deficit) - Beginning of Year	<u>(997)</u>	<u>(536)</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Ad Valorem 31701	Foundation	Total
92,460	(532)	46,084	-	138,012
-	-	-	-	(3,460)
-	-	-	-	1,591,882
-	-	-	-	134,888
-	-	-	-	3
-	-	-	180,125	186,339
<u>92,460</u>	<u>(532)</u>	<u>46,084</u>	<u>180,125</u>	<u>2,047,664</u>
-	-	-	-	706,008
-	-	-	-	318,205
-	-	-	-	(1,776)
-	-	-	-	31,724
-	-	-	-	245,453
-	-	-	-	190,622
-	-	-	-	279,038
-	-	-	-	6,073
-	-	-	8,217	8,217
-	-	-	-	31,741
-	-	-	-	6,214
35,164	(3,758)	41,945	-	174,954
-	-	-	122,744	122,744
-	-	-	49,520	49,520
<u>35,164</u>	<u>(3,758)</u>	<u>41,945</u>	<u>180,481</u>	<u>2,168,737</u>
<u>57,296</u>	<u>3,226</u>	<u>4,139</u>	<u>(356)</u>	<u>(121,073)</u>
<u>87,320</u>	<u>(3,226)</u>	<u>25,472</u>	<u>81,989</u>	<u>680,463</u>
<u>144,616</u>	<u>-</u>	<u>29,611</u>	<u>81,633</u>	<u>559,390</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance - Total Governmental Funds **\$ (121,073)**

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

Change in Compensated Absences 306

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 capital outlay exceeds
depreciation for the period

Capital Outlays	58,818	
Depreciation Expense	<u>(136,813)</u>	(77,995)

The issuance of long-term debt (e.g., bonds, notes, leases) provide 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.

Payment of Long-term Debt 124,488

Changes in deferred outflows resources-pension related, deferred
inflows of resources-pension related and the net pension liability (17,011)

Change in Net Position - Total Governmental Activities **\$ (91,285)**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	Agency Funds
ASSETS	
Cash in Bank	\$ 3,984
Total Assets	<u>\$ 3,984</u>
 LIABILITIES	
Deposits Held for Others	\$ 3,984
Total Liabilities	<u>\$ 3,984</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 7,500	6,043	9,559	3,984
Total Assets	<u>\$ 7,500</u>	<u>6,043</u>	<u>9,559</u>	<u>3,984</u>
LIABILITIES				
Deposits Held for Others	\$ 7,500	6,043	9,559	3,984
Total Liabilities	<u>\$ 7,500</u>	<u>6,043</u>	<u>9,559</u>	<u>3,984</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Academy of Trades & Technology's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Academy of Trades & Technology does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Academy of Trades & Technology utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for the Academy of Trades & Technology are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 353,720	16,939	39,169	331,490
Vehicles	67,361	-	-	67,361
Building and Improvements	1,946,238	41,879	135,448	1,852,669
<i>Total</i>	<u>2,367,319</u>	<u>58,818</u>	<u>174,617</u>	<u>2,251,520</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(321,670)	(9,265)	39,169	(291,766)
Vehicles	(67,361)	-	-	(67,361)
Building and improvements	(319,608)	(56,034)	63,934	(311,708)
<i>Total</i>	<u>(708,639)</u>	<u>(65,299)</u>	<u>103,103</u>	<u>(670,835)</u>
Capital Assets, Net	<u>\$ 1,658,680</u>	<u>(6,481)</u>	<u>71,514</u>	<u>1,580,685</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expensed for the year ended June 30, 2017 was expensed to the following functions:

Student Transportation	\$ 1,096
Operations/Plant Maintenance	64,203
Total	<u>\$ 65,299</u>

During the current year there was a \$71,514 loss on disposition of capital assets. This amount was recorded in the government wide statements as depreciation expense. Depreciation expense totaling \$136,813, is comprised of \$71,514 related to the loss on disposition and \$65,299 of current year depreciation expense.

NOTE 3. COMMITMENTS AND LIABILITIES

The Academy of Trades & Technology leased equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$25,202. The Academy of Trades & Technology's minimum future payments on this lease are as follows:

Year Ending June 30:	
2018	\$ 10,650
2019	672
2020	672
2021	672
2022	672
Thereafter	672
Total	<u>\$ 14,010</u>

The following is an analysis of the leased property under capital leases by major classes included in summary of capital assets

<u>Classes of Property</u>	<u>Asset Balance</u>
Building	\$ 1,852,669
Less: Accumulated depreciation	(311,708)
	<u>\$ 1,540,961</u>

In December 2011, the Academy of Trades and Technology Foundation (ATT Foundation) entered into a lease purchase agreement with the school for the purchase of all of the buildings and the property. During the year ending June 30, 2016, a new foundation, Friends of ATTCHS, Inc., was created to replace the ATT Foundation. The Friends of ATTCHS, Inc. assumed the lease with the School and assumed the debt of the ATT Foundation. The capital lease obligation has been eliminated due to the consolidation of the blended component unit.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES (CONTINUED)

The total outstanding long term debt as of June 30, 2017 is as follows:

Mortgage payable to bank secured by building and land; interest at bank's rate 7% due in monthly installments of \$14,356; maturing July 1, 2022	\$ 640,257
Less: current maturities	(131,517)
	<u>\$ 508,740</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2017. Debt expense for the year ended June 30, 2017 was \$640,257. Principal payments for the year ended June 30, 2017 were \$124,488.

Year Ending June 30:	Principal	Interest	Total
2018	\$ 131,517	40,691	172,208
2019	140,812	31,396	172,208
2020	150,992	21,217	172,208
2021	161,907	10,301	172,208
2022	55,029	946	55,975
Total	<u>\$ 640,257</u>	<u>104,551</u>	<u>744,808</u>

The Academy of Trades & Technology had a compensated absences balance of \$15,993 at the beginning of the fiscal year. Reductions to the balance were \$306 which resulted in an ending balance of \$15,687. All of this balance is considered to be current.

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Academy of Trades & Technology and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions – For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Academy of Trades & Technology paid employee and employer contributions of \$127,371 and \$110,238, which equal the amount of the required contributions for each fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, Academy of Trades & Technology reported a liability of \$1,999,169 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

The Academy of Trades & Technology’s proportion of the net pension liability was based on a projection of the Academy of Trades & Technology’s long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2016 the Academy of Trades & Technology’s proportion was 0.02778%, which was a decrease of .00061% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Academy of Trades & Technology’s recognized pension expense is \$141,434. At June 30, 2017, the Academy of Trades & Technology reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,673	(19,015)
Changes in assumptions	40,695	-
Net difference between projected and actual earnings on pension plan investments	119,334	-
Changes in proportion and differences between the Academy of Trades & Technology’s contributions and proportionate share of contributions	83,752	(92,624)
The Academy of Trades & Technology’s contributions subsequent to the measurement date	<u>127,371</u>	<u>-</u>
Total	<u>\$ 379,825</u>	<u>(111,639)</u>

The amount of \$127,371 reported as deferred outflows of resources related to pensions resulting from the Academy of Trades & Technology’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ (1,627)
2019	64,817
2020	48,525
2021	<u>29,101</u>
Total	<u>\$ 140,816</u>

Sensitivity of the Academy of Trades & Technology’s proportionate share of the net pension liability to changes in the discount rate. The following presents the Academy of Trades & Technology’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Academy of Trades & Technology’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:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The Academy of Trades & Technology's proportionate share of the net pension liability	\$ <u>2,647,853</u>	<u>1,999,169</u>	<u>1,460,945</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. The Academy of Trades & Technology did not accrue any payable for the pension plan at June 30, 2017.

NOTE 5. RELATED PARTY

The President of the Friends of ATTCH, Inc. (School's Foundation) receives compensation from Academy of Trades and Technology for services provided to the School for teaching weightlifting classes at the School. For the year ended June 30, 2017 the school paid \$2,400 for these services.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES AND TECHNOLOGY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.03%	0.03%	0.03%
School's Proportionate Share of Net Pension Liability (Asset)	\$	1,999	1,838	1,465
School's Covered-Employee Payroll	\$	916	775	708
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		218.17%	237.16%	207.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Academy of Trades and Technology is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES AND TECHNOLOGY
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Statutory required contributions	\$ 128	110	127
Contributions in Relation to the Contractually Required Contribution	112	110	127
Annual contribution deficiency (excess)	\$ 16	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Academy of Trades and Technology is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 1,472,459	1,415,519	1,415,519	-
Charges for Services	-	-	1,308	1,308
Total Revenues	<u>1,472,459</u>	<u>1,415,519</u>	<u>1,416,827</u>	<u>1,308</u>
EXPENDITURES				
Current:				
Instruction	622,177	652,177	572,142	80,035
Support Services:				
Students	317,468	287,525	261,606	25,919
General Administration	113,550	54,500	32,117	22,383
School Administration	259,056	289,556	240,293	49,263
Central Services	145,978	207,971	191,687	16,284
Operation & Maintenance of Plant	357,986	353,248	279,824	73,424
Student Transportation	23,500	23,500	7,629	15,871
Total Expenditures	<u>1,839,715</u>	<u>1,868,477</u>	<u>1,585,298</u>	<u>283,179</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(367,256)</u>	<u>(452,958)</u>	<u>(168,471)</u>	<u>284,487</u>
Other Financing Sources (Uses):				
Designated Cash	367,256	452,958	-	(452,958)
Total Other Financing Sources (Uses):	<u>367,256</u>	<u>452,958</u>	<u>-</u>	<u>(452,958)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(168,471)</u>	<u>(168,471)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>473,312</u>	<u>473,312</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>296,430</u>	<u>304,841</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (168,471)	
Adjustments to Revenues			(4,709)	
Adjustments to Expenditures			(3,702)	
NET CHANGE IN FUND BALANCE			<u>\$ (176,882)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 8,344	5,503	7,314	1,811
Total Revenues	<u>8,344</u>	<u>5,503</u>	<u>7,314</u>	<u>1,811</u>
EXPENDITURES				
Current:				
Instruction	20,813	22,460	12,312	10,148
Total Expenditures	<u>20,813</u>	<u>22,460</u>	<u>12,312</u>	<u>10,148</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(12,469)</u>	<u>(16,957)</u>	<u>(4,998)</u>	<u>11,959</u>
Other Financing Sources (Uses):				
Designated Cash	13,542	13,392	-	(13,392)
Total Other Financing Sources (Uses):	<u>13,542</u>	<u>13,392</u>	<u>-</u>	<u>(13,392)</u>
Net Changes in Fund Balances	<u>1,073</u>	<u>(3,565)</u>	<u>(4,998)</u>	<u>(1,433)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>3,565</u>	<u>16,957</u>	<u>13,392</u>
Cash or Fund Balances - End of Year	<u>\$ 1,073</u>	<u>-</u>	<u>11,959</u>	<u>11,959</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (4,998)	
Adjustments to Revenues			-	
Adjustments to Expenditures			(3,196)	
NET CHANGE IN FUND BALANCE			<u>\$ (8,194)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Federal Grant	\$ 30,000	34,000	28,725	(5,275)
Charges for Services	-	-	3	3
Total Revenues	<u>30,000</u>	<u>34,000</u>	<u>28,728</u>	<u>(5,272)</u>
EXPENDITURES				
Current:				
Food Services Operations	39,694	35,935	31,741	4,194
Total Expenditures	<u>39,694</u>	<u>35,935</u>	<u>31,741</u>	<u>4,194</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(9,694)</u>	<u>(1,935)</u>	<u>(3,013)</u>	<u>(1,078)</u>
Other Financing Sources (Uses):				
Designated Cash	-	6,740	-	(6,740)
Total Other Financing Sources (Uses):	<u>-</u>	<u>6,740</u>	<u>-</u>	<u>(6,740)</u>
Net Changes in Fund Balances	<u>(9,694)</u>	<u>4,805</u>	<u>(3,013)</u>	<u>(7,818)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,935</u>	<u>1,935</u>
Cash or Fund Balances - End of Year	<u>\$ (9,694)</u>	<u>4,805</u>	<u>(1,078)</u>	<u>(5,883)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,013)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (3,013)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Federal Grant	\$ 46,256	49,307	58,042	8,735
Total Revenues	<u>46,256</u>	<u>49,307</u>	<u>58,042</u>	<u>8,735</u>
EXPENDITURES				
Current:				
Instruction	46,143	49,194	49,194	-
Total Expenditures	<u>46,143</u>	<u>49,194</u>	<u>49,194</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>113</u>	<u>113</u>	<u>8,848</u>	<u>8,735</u>
Net Changes in Fund Balances	<u>113</u>	<u>113</u>	<u>8,848</u>	<u>8,735</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 113</u>	<u>113</u>	<u>-</u>	<u>8,735</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 8,848	
Adjustments to Revenues			(8,848)	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Federal Grant	\$ 22,997	29,834	25,370	(4,464)
Total Revenues	<u>22,997</u>	<u>29,834</u>	<u>25,370</u>	<u>(4,464)</u>
EXPENDITURES				
Current:				
Instruction	22,997	29,834	29,834	-
Total Expenditures	<u>22,997</u>	<u>29,834</u>	<u>29,834</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(4,464)	(4,464)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,464)</u>	<u>(4,464)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(4,464)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (4,464)	
Adjustments to Revenues			4,464	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Federal Grant	\$ 7,566	12,722	11,377	(1,345)
Total Revenues	<u>7,566</u>	<u>12,722</u>	<u>11,377</u>	<u>(1,345)</u>
EXPENDITURES				
Current:				
Instruction	7,566	12,722	7,566	5,156
Total expenditures	<u>7,566</u>	<u>12,722</u>	<u>7,566</u>	<u>5,156</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	3,811	3,811
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,811</u>	<u>3,811</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>3,811</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 3,811	
Adjustments to Revenues			(3,811)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
Title I School Improvement 24162
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Federal Grant	\$ 24,000	24,000	21,372	(2,628)
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>21,372</u>	<u>(2,628)</u>
EXPENDITURES				
Current:				
Instruction	24,000	24,000	19,570	4,430
Total Expenditures	<u>24,000</u>	<u>24,000</u>	<u>19,570</u>	<u>4,430</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	1,802	1,802
Net Changes in Fund Balances	-	-	1,802	1,802
Cash or Fund Balances - Beginning of Year	(356)	(356)	(356)	-
Cash or Fund Balances - End of Year	<u>\$ (356)</u>	<u>(356)</u>	<u>(585)</u>	<u>1,802</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 1,802	
Adjustments to revenues			(1,802)	
Adjustments to expenditures			<u>(229)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (229)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit 27103
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ -	387	387	-
Total Revenues	<u>-</u>	<u>387</u>	<u>387</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	387	387	-
Total Expenditures	<u>-</u>	<u>387</u>	<u>387</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
2012 SB-66 Student Library 27107
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ 3,307	3,307	-	(3,307)
Total Revenues	<u>3,307</u>	<u>3,307</u>	<u>-</u>	<u>(3,307)</u>
EXPENDITURES				
Current:				
Instruction	3,307	3,307	-	3,307
Total Expenditures	<u>3,307</u>	<u>3,307</u>	<u>-</u>	<u>3,307</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,776)</u>	<u>(1,776)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			<u>1,776</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 1,776</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
Truancy Initiative 27141
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ 50,000	50,000	48,387	(1,613)
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>48,387</u>	<u>(1,613)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	50,000	50,000	50,000	-
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(1,613)	(1,613)
Net Changes in Fund Balances	-	-	(1,613)	(1,613)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,613)</u>	<u>(1,613)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (1,613)	
Adjustments to revenues			1,613	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
NM School Meal Program 27183
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	500	148	(352)
Total Revenues	-	500	148	(352)
EXPENDITURES				
Current:				
Food Services Operations	-	500	-	500
Total Expenditures	-	500	-	500
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	148	148
Net Changes in Fund Balances	-	-	148	148
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	148	148
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 148	
Adjustments to revenues			(148)	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
Grads Instruction 28190
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ -	8,000	11,227	3,227
Total Revenues	<u>-</u>	<u>8,000</u>	<u>11,227</u>	<u>3,227</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	8,000	8,000	-
Total Expenditures	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>3,227</u>	<u>3,227</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,227</u>	<u>3,227</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,227</u>	<u>3,227</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 3,227	
Adjustments to Revenues			(3,227)	
Adjustments to Expenditures			<u>998</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 998</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
Grads PLUS 28203
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ -	10,534	10,554	20
Total Revenues	<u>-</u>	<u>10,534</u>	<u>10,554</u>	<u>20</u>
EXPENDITURES				
Current:				
Instruction	-	9,000	8,825	175
Support Services:				
Students	-	1,534	-	1,534
Total Expenditures	<u>-</u>	<u>10,534</u>	<u>8,825</u>	<u>1,709</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>1,729</u>	<u>1,729</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,729</u>	<u>1,729</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,729</u>	<u>1,729</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 1,729	
Adjustments to Revenues			(1,923)	
Adjustments to Expenditures			<u>361</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 167</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Local & County Grant	\$ -	15,000	-	(15,000)
Total Revenues	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(30,000)</u>
EXPENDITURES				
Current:				
Community Services Operations	-	15,000	6,214	8,786
Total Expenditures	<u>-</u>	<u>15,000</u>	<u>6,214</u>	<u>8,786</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(6,214)	(21,214)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,214)</u>	<u>(21,214)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (6,214)	
Adjustments to Revenues			6,214	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	101,603	125,899	24,296
Total Revenues	-	101,603	125,899	24,296
EXPENDITURES				
Current:				
Capital Outlay	-	101,603	101,603	-
Total Expenditures	-	101,603	101,603	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	24,296	24,296
Net Changes in Fund Balances	-	-	24,296	24,296
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 24,296	
Adjustments to Revenues			(24,296)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Property Taxes	\$ 91,418	91,418	92,142	724
Total Revenues	<u>91,418</u>	<u>91,418</u>	<u>92,142</u>	<u>724</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	-	-	-	-
Capital Outlay	233,107	257,785	35,164	222,621
Total Expenditures	<u>233,107</u>	<u>257,785</u>	<u>35,164</u>	<u>222,621</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(141,689)</u>	<u>(166,367)</u>	<u>56,978</u>	<u>223,345</u>
Other financing sources (uses):				
Designated Cash	141,689	166,367		(166,367)
Total other financing sources (uses):	<u>141,689</u>	<u>166,367</u>	<u>-</u>	<u>(166,367)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>56,978</u>	<u>56,978</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>87,320</u>	<u>87,320</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>144,616</u>	<u>144,298</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 56,978	
Adjustments to Revenues			318	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 57,296</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Property Taxes	\$ -	2,836	-	(2,836)
Total Revenues	<u>-</u>	<u>2,836</u>	<u>-</u>	<u>(2,836)</u>
EXPENDITURES				
Capital Outlay	-	2,836	-	2,836
Total Expenditures	<u>-</u>	<u>2,836</u>	<u>-</u>	<u>2,836</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Other Financing Sources (Uses):				
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,226</u>	<u>3,226</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,226</u>	<u>3,226</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			(532)	
Adjustments to Expenditures			<u>3,758</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 3,226</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31701
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Property Taxes	\$ 45,812	45,812	45,382	(430)
Total Revenues	<u>45,812</u>	<u>45,812</u>	<u>45,382</u>	<u>(430)</u>
EXPENDITURES				
Capital Outlay	58,215	58,215	41,945	16,270
Total Expenditures	<u>58,215</u>	<u>58,215</u>	<u>41,945</u>	<u>16,270</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(12,403)</u>	<u>(12,403)</u>	<u>3,437</u>	<u>15,840</u>
Other Financing Sources (Uses):				
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(12,403)</u>	<u>(12,403)</u>	<u>3,437</u>	<u>15,840</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>25,472</u>	<u>25,472</u>
Cash or Fund Balances - End of Year	<u>\$ (12,403)</u>	<u>(12,403)</u>	<u>28,909</u>	<u>41,312</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 3,437	
<i>Adjustments to Revenues</i>			<u>702</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 4,139</u>	

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Wells Fargo Bank	FMAC FG RM	3137ARHD1	12/15/2041	\$ 1,510
Wells Fargo Bank	FNMA FNMS	3138AVTE5	11/1/2026	33,430
Wells Fargo Bank	FNMA FNMS	31418AUQ9	7/1/2033	85,017
				<u>\$ 119,957</u>
Total Cash per Schedule of Cash Accounts:				\$ 484,799
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				234,799
Collateral Requirement:				117,400
Pledged Collateral Held by Pledging Financial Institution:				<u>119,957</u>
Balance Over Collateralized:				<u>\$ 2,557</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 114,842</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	
Checking - Foundation	\$ 484,799
	85,974
<i>Total on Deposit</i>	<u>570,773</u>
Reconciling Items	<u>(37,836)</u>
Reconciled Balance June 30, 2017	532,937
Less Agency Funds	<u>(3,984)</u>
<i>Total Cash</i>	<u><u>\$ 528,953</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACADEMY OF TRADES & TECHNOLOGY
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000	Federal Projects Account 24000
Cash, June 30, 2016	\$ 430,605	16,957	1,935	7,500	-
Add:					
2016-17 revenues	1,416,827	7,314	28,728	6,044	116,185
Total Cash Available	1,847,432	24,271	30,663	13,544	116,185
Less:					
2016-17 expenditures	(1,585,298)	(12,312)	(31,741)	(9,560)	(106,164)
Receivables/Payables	4,315	-	-	-	2,862
Outstanding Loans	(49,831)	-	1,078	-	28,059
Cash June 30, 2017	216,618	11,959	-	3,984	40,942
Fund Balance Reconciliations to GAAP Basis:					
Audit reclassifications to cash	42,139	-	-	-	(40,942)
Cash Per Books	258,757	11,959	-	3,984	-
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	37,672	(3,196)	(1,078)	(3,984)	(585)
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 296,429</u>	<u>8,763</u>	<u>(1,078)</u>	<u>-</u>	<u>(585)</u>

State Account 27000	State Direct Account 28000	Local Account 29000	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31701	Total
-	-	-	-	166,367	25,472	648,836
48,921	21,781	-	125,899	92,142	45,382	1,909,223
48,921	21,781	-	125,899	258,509	70,854	2,558,059
(50,387)	(16,825)	(6,214)	(101,603)	(35,164)	(41,945)	(1,997,213)
524	-	-	-	-	-	7,701
14,480	-	6,214	-	-	-	-
13,538	4,956	-	24,296	223,345	28,909	568,547
(13,538)	(4,781)	-	(24,296)	(80,166)	-	(121,584)
-	175	-	-	143,179	28,909	446,963
					Less: Agency Fund	(3,984)
					Balance Sheet-Foundation:	85,974
						\$ 528,953
	(175)			1,438	702	30,794
-	-	-	-	144,617	29,611	477,757
					Add: Foundation:	81,633
					Balance Sheets - Governmental Funds:	\$ 559,390

ACE LEADERSHIP HIGH SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,536,131
Receivables	
Due from Other Governments	89,838
Prepaid Expenses	493,896
Total Current Assets	<u>2,119,865</u>

Noncurrent Assets:

Capital Assets	
Land	1,204,998
Construction in Proce	83,295
Furniture, Fixtures and Equipment	77,389
Buildings and Improvements	4,022,775
Less: Accumulated Depreciation	<u>(477,052)</u>
Total Noncurrent Assets	<u>4,911,405</u>
Total Assets	<u>7,031,270</u>

Deferred Outflows - Pension Related

875,709

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	12,924
Accrued Liabilities	665
Unearned Revenue	487,850
Current Portion of Long-Term Debt	150,633
Total Current Liabilities	<u>652,072</u>

Noncurrent Liabilities:

Long_term Debt	3,877,078
Net Pension Liability	4,257,410
Total Noncurrent Liabilities	<u>8,134,488</u>
Total Liabilities	<u>8,786,560</u>

Deferred Inflows - Pension Related

368,911

NET POSITION

Net Investment in Capital Assets	883,694
Restricted	1,118,623
Unrestricted (Deficit)	<u>(3,250,809)</u>
Total Net Position	<u>\$ (1,248,492)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Statement of Activities
For The Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 1,435,700	2,734	213,806	-	(1,219,160)
Support services:					
Students	527,792	-	-	-	(527,792)
Instruction	4,004	-	-	-	(4,004)
General Administration	425,003	-	-	-	(425,003)
School Administration	211,709	-	-	-	(211,709)
Central Services	197,168	-	-	-	(197,168)
Operation & Maintenance of Plant	276,179	-	-	-	(276,179)
Community Services Operations	14,875	-	-	-	(14,875)
Other Support Services	11,694	-	-	-	(11,694)
Student Transportation	67	-	-	-	(67)
Food Services	58,435	-	55,894	-	(2,541)
Facilities Materials, Supplies & Other Services	630,280	-	-	293,765	(336,515)
Total Governmental Activities	\$ 3,792,906	2,734	269,700	293,765	(3,226,707)
			General Revenues:		
			Property Tax	\$ 339,090	
			State Equalization Guarantee	2,578,722	
			Miscellaneous	257,015	
			Total General Revenues	3,174,827	
			Change in Net Position (Deficit)		(51,880)
			Net Position (Deficit), Beginning		<u>(1,196,612)</u>
			Net Position (Deficit), Ending		<u>\$ (1,248,492)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
ASSETS			
Cash and Cash Equivalents	\$ 483,387	87,852	-
Accounts Receivable			
Due from Other Governments	-	-	13,159
Due from Other Funds	85,207	-	-
Prepaid Expenditures	488,515	-	-
Total Assets	\$ 1,057,109	87,852	13,159
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 5,045	-	5,423
Accrued Liabilities	-	-	-
Due to Other Funds	-	-	7,108
Unavailable Revenue	-	-	-
Total Liabilities	5,045	-	12,531
<i>Fund Balances (Deficit)</i>			
Fund Balance:			
Restricted for:			
Instruction	488,515	-	-
Food Services Operations	-	87,852	-
Capital Improvements	-	-	628
Unassigned (Deficit)	563,549	-	-
Total Fund Balance (Deficit)	1,052,064	87,852	628
Total Liabilities and Fund Balances	\$ 1,057,109	87,852	13,159

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	Federal Charter School Planning 24146	Kellog Foundation 26121	Daniels Fund 26141
-	-	2,456	-	-
10,589	65,573	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>10,589</u>	<u>65,573</u>	<u>2,456</u>	<u>-</u>	<u>-</u>
-	-	2,456	-	-
452	213	-	-	-
12,222	65,360	-	-	-
-	-	-	-	-
<u>12,674</u>	<u>65,573</u>	<u>2,456</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(2,085)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(2,085)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,589</u>	<u>65,573</u>	<u>2,456</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Balance Sheets - Governmental Funds
June 30, 2017

	SB-66 2012 Student Library 27107	Private Dir Crants (Categorical) 29102	McCune Charitable Foundation 29114
ASSETS			
Cash and Cash Equivalents	-	48,058	5,940
Accounts Receivable			
Due from Other Governments	517	-	-
Due from Other Funds	-	-	-
Prepaid Expenditures	-	-	-
Total Assets	517	48,058	5,940
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	-	-	-
Accrued Liabilities	-	-	-
Due to Other Funds	517	-	-
Unavailable Revenue	-	-	-
Total Liabilities	517	-	-
<i>Fund Balances (Deficit)</i>			
Fund Balance:			
Restricted for:			
Instruction	-	48,058	5,940
Student Transportation	-	-	-
Capital Improvements	-	-	-
Unassigned (Deficit)	-	-	-
Total Fund Balance (Deficit)	-	48,058	5,940
Total Liabilities and Fund Balances	517	48,058	5,940

The accompanying notes are an integral part of these financial statements

Public School Capital Outlay 31200	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Foundation	Total
-	223,127	-	264,503	420,808	1,536,131
-	-	-	-	-	-
-	-	-	-	-	89,838
-	-	-	-	-	85,207
-	-	-	-	5,381	493,896
-	223,127	-	264,503	426,189	2,205,072
-	-	-	-	-	12,924
-	-	-	-	-	665
-	-	-	-	-	85,207
-	-	-	-	487,850	487,850
-	-	-	-	487,850	586,646
-	-	-	-	-	542,513
-	-	-	-	-	87,852
-	223,127	-	264,503	-	488,258
-	-	-	-	(61,661)	499,803
-	223,127	-	264,503	(61,661)	1,618,426
-	223,127	-	264,503	426,189	2,205,072

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Reconciliation of the Balance Sheets of Governmental Funds
to the Statement of Net Position
June 30, 2017**

FUND BALANCE - Total Governmental Funds		\$ 1,618,426
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital Assets	5,388,457	
Accumulated Depreciation	<u>(477,052)</u>	
		4,911,405
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		875,709
Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		
Long-Term Debt		(4,027,711)
Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(368,911)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(4,257,410)</u>
NET POSITION (Deficit) - Total Governmental Activities		<u><u>\$ (1,248,492)</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	4,085	-	-
State Grant	2,578,722	21,508	-
Federal Grant	-	-	55,894
Charges for Services	2,672	-	62
Miscellaneous Income	-	-	-
Total Revenues	2,585,479	21,508	55,956
EXPENDITURES			
Current:			
Instruction	1,225,108	3,574	-
Support Services:			
Students	500,962	-	-
Instruction	4,004	-	-
General Administration	322,832	-	-
School Administration	189,030	-	-
Central Services	184,386	-	-
Operation & Maintenance of Plant	272,060	-	-
Student Transportation	67	-	-
Other Support Services Operations	-	-	-
Food Services Operations	81	-	58,354
Community Services Operation	14,875	-	-
Capital Outlay	233,287	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	2,946,692	3,574	58,354
Excess (Deficiency) of Revenues Over (Under) Expenditures	(361,213)	17,934	(2,398)
OTHER FINANCING SOURCES			
Operating Transfers	-	-	-
Total Other Financing sources	-	-	-
NET CHANGES IN FUND BALANCES	(361,213)	17,934	(2,398)
Fund Balances (Deficit) - Beginning of Year	1,413,277	69,918	3,026
Fund Balances (Deficit) - End of Year	\$ 1,052,064	87,852	628

Title I IASA 24101	IDEA-B Entitlement 24106	Federal Charter School Planning 24146	Kellog Foundation 26121	Daniels Fund 26141
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
94,192	65,573	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>94,192</u>	<u>65,573</u>	<u>-</u>	<u>-</u>	<u>-</u>
94,192	65,573	-	-	-
-	-	-	-	-
-	-	-	-	4,798
-	-	-	1	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>94,192</u>	<u>65,573</u>	<u>-</u>	<u>1</u>	<u>4,798</u>
-	-	-	(1)	(4,798)
-	-	-	-	-
-	-	-	-	-
-	-	-	(1)	(4,798)
<u>(2,085)</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>4,798</u>
<u>(2,085)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	SB-66 2012 Student Library 27107	Private Dir Grants (Categorical) 29102	McCune Charitable Foundation 29114
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	-	28,448	-
State Grant	-	-	-
Federal Grant	-	-	-
Charges for Services	-	-	-
Miscellaneous Income	-	-	-
Total Revenues	-	28,448	-
EXPENDITURES			
Current:			
Instruction	-	-	-
Support Services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	2,965
School Administration	-	9,030	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services Operations	-	-	-
Food Services Operations	-	-	-
Community Services Operation	-	-	-
Capital Outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	-	9,030	2,965
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	19,418	(2,965)
OTHER FINANCING SOURCES			
Operating Transfers	-	-	-
Total Other Financing sources	-	-	-
NET CHANGES IN FUND BALANCES	-	19,418	(2,965)
Fund Balances (Deficit) - Beginning of Year	-	28,640	8,905
Fund Balances (Deficit) - End of Year	\$ -	48,058	5,940

Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Foundation	Total
-	223,127	-	115,963	-	339,090
-	-	-	-	-	32,533
293,765	-	-	-	-	2,893,995
-	-	-	-	-	215,659
-	-	-	-	-	2,734
-	-	-	-	483,546	483,546
<u>293,765</u>	<u>223,127</u>	<u>-</u>	<u>115,963</u>	<u>483,546</u>	<u>3,967,557</u>
-	-	-	-	-	1,388,447
-	-	-	-	-	500,962
-	-	-	-	-	4,004
-	-	-	-	-	330,595
-	-	-	-	-	198,061
-	-	-	-	-	184,386
-	-	-	-	-	272,060
-	-	-	-	-	67
-	-	-	-	11,694	11,694
-	-	-	-	-	58,435
-	-	-	-	-	14,875
293,765	-	-	-	-	527,052
-	-	-	-	143,159	143,159
-	-	-	-	212,011	212,011
<u>293,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>366,864</u>	<u>3,845,808</u>
-	223,127	-	115,963	116,682	121,749
-	-	(148,540)	148,540	-	-
-	-	(148,540)	148,540	-	-
-	223,127	(148,540)	264,503	116,682	121,749
-	-	148,540	-	(178,343)	1,496,677
-	223,127	-	264,503	(61,661)	1,618,426

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

NET CHANGE IN FUND BALANCE-Total Governmental Funds	\$	121,749
Amounts reported for governmental activities in the Statement of Activities are different because:		
<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 capital outlay exceeds depreciation for the period.</p>		
Capital Outlays	94,243	
Depreciation Expense	<u>(211,991)</u>	(117,748)
<p>The issuance of long-term debt (e.g., bonds, notes, leases) provide 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.</p>		
Payment of Long-Term Debt	<u>143,159</u>	143,159
<p>Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability</p>		
		<u>(199,040)</u>
CHANGE IN NET POSITION-Total Governmental Activities	\$	<u>(51,880)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 1,693
Total Assets	<u>\$ 1,693</u>
LIABILITIES	
Deposits Held for Others	\$ 1,693
Total Liabilities	<u>\$ 1,693</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	Balance \square July 1, 2016	Additions	Deductions	Balance \square June 30, 2017
ASSETS				
Cash in Bank	\$ 1,693	-	-	1,693
Total Assets	\$ 1,693	-	-	1,693
LIABILITIES				
Deposits Held for Others	\$ 1,693	-	-	1,693
Total Liabilities	\$ 1,693	-	-	1,693

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. ACE Leadership High School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. ACE Leadership High School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. ACE Leadership High School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for ACE Leadership High School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance		Deletions	Balance
	June 30, 2016	Additions	Or Reclass	June 30, 2017
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 1,194,050	10,948	-	1,204,998
Construction in Process	-	83,295	-	83,295
<i>Total</i>	<u>1,194,050</u>	<u>94,243</u>	<u>-</u>	<u>1,288,293</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	77,389	-	-	77,389
Building and Improvements	4,022,775	-	-	4,022,775
<i>Total</i>	<u>4,100,164</u>	<u>-</u>	<u>-</u>	<u>4,100,164</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(32,274)	(10,759)	-	(43,033)
Building and Improvements	(232,787)	(201,232)	-	(434,019)
<i>Total</i>	<u>(265,061)</u>	<u>(211,991)</u>	<u>-</u>	<u>(477,052)</u>
Capital Assets, Net	<u>\$ 5,029,153</u>	<u>(117,748)</u>	<u>-</u>	<u>4,911,405</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following function:

Capital Outlay	\$ 211,991
Total	<u>\$ 211,991</u>

NOTE 3. COMMITMENTS AND LIABILITIES

ACE Leadership High School leased equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$480,854. ACE Leadership High School's minimum future payments on this lease are as follows:

Year Ending June 30:	
2018	\$ 485,778
2019	488,122
2020	490,582
2021	493,168
2022	495,881
2023-2027	2,525,106
2028-2031	<u>1,964,171</u>
Total minimum lease payments	6,942,808
Less: Amount representing interest	<u>2,606,039</u>
Present value of net minimum lease payments	<u>\$ 4,336,769</u>

The total outstanding long term debt as of June 30, 2017 is as follows:

Land note payable to Charter Schools Development Land, interest at 7.01%, due in monthly installments of \$6,204 due September 30, 2019	\$ 742,585
Mortgage payable to bank secured by building and land; interest at 4.75% due in monthly installments of \$23,394; maturing March 2024	<u>3,285,126</u>
Total	4,027,711
Less Current Maturities	<u>(150,633)</u>
	<u>\$ 3,877,078</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES (CONTINUED)

The following schedule is an aggregate amount of principal maturities of the long term debt as of June 30, 2017. Principal payments for the year ended June 30, 2017 were \$143,159.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 150,633	\$ 204,537	\$ 355,170
2019	158,496	196,674	355,170
2020	834,622	152,735	987,357
2021	146,911	133,817	280,728
2022	154,042	126,686	280,728
2023-2024	<u>2,583,007</u>	<u>203,486</u>	<u>2,786,493</u>
Total	<u>\$ 4,027,711</u>	<u>\$ 1,017,935</u>	<u>\$ 5,045,646</u>

NOTE 4. DEFICIT FUND BALANCE

The following fund had a deficit fund balance at June 30, 2017:

Title I IASA - 24101	\$	2,085
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ACE Leadership High School is addressing the negative fund balance and is planning on taking the appropriate actions to eliminate the negative balance.

NOTE 5. RELATED PARTY TRANSACTIONS

ACE Leadership High School leases the building from ACE Leadership High School Foundation that the school resides in. The Foundation is considered a component unit of the school and is presented as a blended component unit.

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to the Ace Leadership High School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions – For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Ace Leadership High School paid employee and employer contributions of \$425,428 and \$408,686, which equal the amount of the required contributions for each fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, Ace Leadership High School reported a liability of \$4,257,410 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Ace Leadership High School’s proportion of the net pension liability was based on a projection of Ace Leadership High School’s long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2016 Ace Leadership High School’s proportion was 0.05916%, which was a decrease of .00698% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Ace Leadership High School’s recognized pension expense is \$444,853. At June 30, 2017, Ace Leadership High School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 18,470	(40,494)
Changes in assumptions	86,664	-
Net difference between projected and actual earnings on pension plan investments	254,132	-
Changes in proportion and differences between Ace Leadership High School's contributions and proportionate share of contributions	272,123	(328,417)
Ace Leadership High School's contributions subsequent to the measurement date	<u>244,320</u>	<u>-</u>
Total	<u>\$ 875,709</u>	<u>(368,911)</u>

The amount of \$244,320 reported as deferred outflows of resources related to pensions resulting from Ace Leadership High School's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 113,516
2019	57,953
2020	29,036
2021	<u>61,973</u>
Total	<u>\$ 262,478</u>

Sensitivity of Ace Leadership High School's proportionate share of the net pension liability to changes in the discount rate. The following presents Ace Leadership High School's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Ace Leadership High 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:

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Notes to the Financial Statements
June 30, 2017

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Ace Leadership High School’s proportionate share of the net pension liability	\$ 5,638,841	4,257,410	3,111,213

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, Ace Leadership High School’s accrued liability due to ERB was \$27,775 for June payroll paid in July 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year	30-Jun		
		2017	2016	2015
Measurement Date		2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)		0.06%	0.07%	0.06%
School's Proportionate Share of Net Pension Liability (Asset)	\$	4,257	4,284	3,381
School's Covered-Employee Payroll	\$	1,757	1,806	1,633
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		242.29%	237.23%	207.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Ace Leadership High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	2015	2016	2017
Contractually Required Contribution	\$ 263	235	235
Contributions in Relation to the Contractually Required Contribution	263	235	235
Contribution Deficiency (Excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Ace Leadership High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive
	Original Budget	Final Budget		(Negative)
REVENUES				
Local & County Grant	\$ -	-	4,085	4,085
State Grant	2,856,693	2,578,222	2,578,722	500
Charges for Services	1,000	1,000	2,672	1,672
Total Revenues	2,857,693	2,579,222	2,585,479	6,257
EXPENDITURES				
Current:				
Instruction	1,311,360	1,226,856	1,225,108	1,748
Support Services:				
Students	759,704	659,737	500,962	158,775
Instruction	5,000	9,500	4,004	5,496
General Administration	484,957	536,536	322,832	213,704
School Administration	193,828	198,928	189,030	9,898
Central Services	206,323	207,123	184,386	22,737
Operation & Maintenance of Plant	320,221	342,121	223,067	119,054
Student Transportation	-	100	67	33
Food Services Operations	15,000	15,100	81	15,019
Community Services Operations	15,000	15,000	14,875	125
Capital outlay	150,000	258,787	242,374	16,413
Total Expenditures	3,461,393	3,469,788	2,906,786	563,002
Excess (Deficiency) of Revenues Over (Under) Expenditures	(603,700)	(890,566)	(321,307)	569,259
OTHER FINANCING SOURCES (Uses):				
Designated Cash	890,566	890,566	-	(890,566)
Total Other Financing Sources (Uses):	890,566	890,566	-	(890,566)
NET CHANGES IN FUND BALANCES	286,866	-	(321,307)	(321,307)
Cash or Fund Balances - Beginning of Year	1,413,277	1,413,277	1,413,277	-
Cash or Fund Balances - End of Year	\$ 1,700,143	1,413,277	1,091,970	(321,307)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ (321,307)	
Adjustments to Revenues			-	
Adjustments to Expenditures			(39,906)	
NET CHANGE IN FUND BALANCE			\$ (361,213)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 20,778	16,183	21,508	5,325
Total Revenues	<u>20,778</u>	<u>16,183</u>	<u>21,508</u>	<u>5,325</u>
EXPENDITURES				
Current:				
Instruction	62,225	86,101	3,574	82,527
Total Expenditures	<u>62,225</u>	<u>86,101</u>	<u>3,574</u>	<u>82,527</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(41,447)</u>	<u>(69,918)</u>	<u>17,934</u>	<u>87,852</u>
OTHER FINANCING SOURCES (USES):				
Designated Cash	69,918	69,918	-	(69,918)
Total Other Financing Sources (Uses):	<u>69,918</u>	<u>69,918</u>	<u>-</u>	<u>(69,918)</u>
NET CHANGE IN FUND BALANCES	<u>28,471</u>	<u>-</u>	<u>17,934</u>	<u>17,934</u>
Cash or Fund Balances - Beginning of Year	<u>69,918</u>	<u>69,918</u>	<u>69,918</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 98,389</u>	<u>69,918</u>	<u>87,852</u>	<u>17,934</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 17,934	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 17,934</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 80,000	80,000	55,374	(24,626)
Charges for Services	-	-	62	62
Total Revenues	80,000	80,000	55,436	(24,564)
EXPENDITURES				
Current:				
Food Services Operations	80,000	80,000	52,931	27,069
Total Expenditures	80,000	80,000	52,931	27,069
NET CHANGES IN FUND BALANCES	-	-	2,505	2,505
Cash or Fund Balances - Beginning of Year	3,026	3,026	3,026	-
Cash or Fund Balances - End of Year	\$ 3,026	3,026	5,531	2,505
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 2,505	
Adjustments to Revenues			520	
Adjustments to Expenditures			(5,423)	
NET CHANGE IN FUND BALANCE			\$ (2,398)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 94,562	94,192	190,758	96,566
Total Revenues	<u>94,562</u>	<u>94,192</u>	<u>190,758</u>	<u>96,566</u>
EXPENDITURES				
Current:				
Instruction	94,562	94,192	94,191	1
Total Expenditures	<u>94,562</u>	<u>94,192</u>	<u>94,191</u>	<u>1</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>96,567</u>	<u>96,567</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>96,567</u>	<u>96,567</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 96,567	
Adjustments to Revenues			(96,567)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 52,890	65,573	60,631	(4,942)
Total Revenues	<u>52,890</u>	<u>65,573</u>	<u>60,631</u>	<u>(4,942)</u>
EXPENDITURES				
Current:				
Instruction	52,890	65,573	65,573	-
Total Expenditures	<u>52,890</u>	<u>65,573</u>	<u>65,573</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,942)</u>	<u>(4,942)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(4,942)</u>	<u>(4,942)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (4,942)	
Adjustments to Revenues			4,942	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Kellogg Foundation 26121
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Support Services:				
Instruction	9,193	9,193	-	9,193
Total Expenditures	9,193	9,193	-	9,193
NET CHANGES IN FUND BALANCES	(9,193)	(9,193)	-	9,193
Cash or Fund Balances - Beginning of Year	-	-	1	1
Cash or Fund Balances - End of Year	\$ (9,193)	(9,193)	1	9,194
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Daniels Fund 26141
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
General Administration	-	4,798	4,798	-
Total Expenditures	-	4,798	4,798	-
NET CHANGES IN FUND BALANCES	-	(4,798)	(4,798)	-
Cash or Fund Balances - Beginning of Year	4,798	4,798	4,798	-
Cash or Fund Balances - End of Year	\$ 4,798	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (4,798)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (4,798)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-66 2012 Student Library 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	6,610	6,610	-
Total Revenues	-	6,610	6,610	-
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGES IN FUND BALANCES	-	6,610	6,610	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	6,610	6,610	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 6,610	
Adjustments to Revenues			(6,610)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Private Dir Grants (Categorical) 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	28,448	28,448
Total Revenues	-	-	28,448	28,448
EXPENDITURES				
Current:				
Support Services:				
School Administration	-	28,640	9,030	19,610
Total Expenditures	-	28,640	9,030	19,610
NET CHANGES IN FUND BALANCES	-	(28,640)	19,418	48,058
Cash or Fund Balances - Beginning of Year	28,640	28,640	28,640	-
Cash or Fund Balances - End of Year	\$ 28,640	-	48,058	48,058
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 19,418	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 19,418	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
McCune Charitable Foundation 29114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Support Services:				
General Administration	-	4,708	2,965	1,743
Central Services	4,197	4,197	-	4,197
Total Expenditures	4,197	8,905	2,965	5,940
NET CHANGES IN FUND BALANCES	(4,197)	(8,905)	(2,965)	5,940
Cash or Fund Balances - Beginning of Year	8,905	8,905	8,905	-
Cash or Fund Balances - End of Year	\$ 4,708	-	5,940	5,940
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (2,965)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (2,965)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	293,765	356,990	63,225
Total Revenues	-	293,765	356,990	63,225
EXPENDITURES				
Current:				
Capital Outlay	-	293,765	293,765	-
Total Expenditures	-	293,765	293,765	-
NET CHANGES IN FUND BALANCES	-	-	63,225	63,225
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	63,225	63,225
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 63,225	
Adjustments to Revenues			(63,225)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	223,127	223,127	-
Total Revenues	-	223,127	223,127	-
EXPENDITURES				
Current:				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGES IN FUND BALANCES	-	223,127	223,127	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	223,127	223,127	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 223,127	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 223,127	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 30,233	30,233	-	(30,233)
Total Revenues	<u>30,233</u>	<u>30,233</u>	<u>-</u>	<u>(30,233)</u>
EXPENDITURES				
Current:				
Capital Outlay	30,233	30,233	-	30,233
Total Expenditures	<u>30,233</u>	<u>30,233</u>	<u>-</u>	<u>30,233</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Operating transfers	(154,124)	(154,124)	(154,124)	-
Total Other Financing Sources (Uses):	<u>(154,124)</u>	<u>(154,124)</u>	<u>(154,124)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(154,124)</u>	<u>(154,124)</u>	<u>(154,124)</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>154,124</u>	<u>154,124</u>	<u>154,124</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			(148,540)	
NET CHANGE IN FUND BALANCE			<u>\$ (148,540)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 116,058	116,058	115,963	(95)
Total Revenues	<u>116,058</u>	<u>116,058</u>	<u>115,963</u>	<u>(95)</u>
EXPENDITURES				
Current:				
Capital Outlay	300,381	264,598	-	264,598
Total Expenditures	<u>300,381</u>	<u>264,598</u>	<u>-</u>	<u>264,598</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(184,323)</u>	<u>(148,540)</u>	<u>115,963</u>	<u>264,503</u>
Other Financing Sources (Uses):				
Operating transfers	<u>148,540</u>	<u>148,540</u>	<u>148,540</u>	<u>-</u>
Total Other Financing Sources (Uses):	<u>148,540</u>	<u>148,540</u>	<u>148,540</u>	<u>-</u>
Net Changes in Fund Balances	<u>(35,783)</u>	<u>-</u>	<u>264,503</u>	<u>264,503</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (35,783)</u>	<u>-</u>	<u>264,503</u>	<u>264,503</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 115,963	
Adjustments to Revenues			148,540	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 264,503</u>	

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP Security Number</u>	<u>Maturity Date</u>	<u>Fair Value 6/30/2017</u>
Suntrust Bank	GO School Bonds	640575GM2	9/1/2029	\$ 316,716
Suntrust Bank	GO School Bonds	713163JC8	4/1/2028	558,190
Suntrust Bank	GO School Bonds	800359AM3	3/1/2030	319,824
				<u>\$ 1,194,730</u>
Total Cash per Schedule of Cash Accounts:				1,284,974
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				<u>1,034,974</u>
Collateral Requirement:				517,487
Pledged Collateral Held by Pledging Financial Institution:				<u>1,194,730</u>
Balance Over Collateralized:				<u>677,243</u>
BALANCE UNINSURED AND UNCOLLATERALIZED AT JUNE 30, 2017:				<u><u>\$ -</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	New Mexico Bank & Trust
Checking - Operational Account	\$ 1,284,974
Checking - Foundation	420,808
TOTAL ON DEPOSIT	1,705,782
Reconciling Items	(167,958)
Reconciled Balance June 30, 2017	1,537,824
Less Agency Funds	(1,693)
TOTAL CASH	\$ 1,536,131

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ 659,359	69,918	-
Add:			
2016-17 revenues	2,585,499	21,508	55,436
Total Cash Available	3,244,858	91,426	55,436
Less:			
2016-17 expenditures	(2,906,787)	(3,574)	(52,931)
Receivables/Payables	-	-	-
Outstanding Loans	(85,207)	-	7,108
Cash June 30, 2017	252,864	87,852	9,613
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	230,523	-	(9,613)
Cash Per Books	483,387	87,852	-
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	568,677	-	628
Fund Balance (Deficit), Modified Accrual Basis	\$ 1,052,064	87,852	628

The accompanying notes are an integral part of these financial statements

Non-Instruct. Fund 23000	Federal Projects Account 24000	Local Grants 26000	State Account 27000	Local or State 29000
1,693	2,456	4,799	-	37,545
-	263,389	-	6,610	28,448
1,693	265,845	4,799	6,610	65,993
-	(159,765)	(4,799)	-	(11,995)
-	665	-	-	-
-	77,582	-	517	-
1,693	184,327	-	7,127	53,998
-	(181,871)	-	(7,127)	-
1,693	2,456	-	-	53,998
-	(4,541)	-	-	-
1,693	(2,085)	-	-	53,998

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE LEADERSHIP HIGH SCHOOL
Cash Reconciliation - (Continued)
June 30, 2017**

	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements Local 31701	Total
Cash, June 30, 2016	\$ -	-	154,124	929,894
Add:				
2016-17 revenues	356,990	223,127	115,963	3,656,970
Total Cash Available	356,990	223,127	270,087	4,586,864
Less:				
2016-17 expenditures	(293,765)	-	-	(3,433,616)
Receivables/Payables	-	-	-	665
Outstanding Loans	-	-	-	-
Cash June 30, 2017	63,225	223,127	270,087	1,153,913
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	(63,225)	-	(5,584)	(36,897)
Cash Per Books	-	223,127	264,503	1,117,016
			Less: Agency Funds:	(1,693)
			Add: Foundation:	420,808
				\$ 1,536,131
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	-	-	-	564,764
Fund Balance (Deficit), Modified Accrual Basis	\$ -	223,127	264,503	1,681,780
			Less: Agency Funds:	(1,693)
			Less: Foundation	(61,661)
				\$ 1,618,426

The accompanying notes are an integral part of these financial statements

ALBUQUERQUE INSTITUTE FOR MATHEMATICS & SCIENCE

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 2,755,473
Receivables	
Due from Other Governments	13,363
Total Current Assets	<u>2,768,836</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	77,553
Less: Accumulated Depreciation	(45,918)
Total Noncurrent Assets	<u>31,635</u>
Total Assets	<u>2,800,471</u>

Deferred Outflows -Pension Related	<u>1,100,062</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	10,280
Accrued Liabilities	126,454
Unearned Revenue	175,000
Total Current Liabilities	<u>311,734</u>

Noncurrent Liabilities:

Net Pension Liability	4,366,076
Total Noncurrent Liabilities	<u>4,366,076</u>
Total Liabilities	<u>4,677,810</u>

Deferred Inflows - Pension Related	<u>41,527</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	31,635
Restricted	1,303,277
Unrestricted (Deficit)	(2,153,716)
Total Net Position (Deficit)	<u>\$ (818,804)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 2,009,043	1,045	41,206	-	(1,966,792)
Support services:					
Students	366,942	-	-	-	(366,942)
Instruction	31,880	-	-	-	(31,880)
General Administration	68,944	-	-	-	(68,944)
School Administration	380,608	-	-	-	(380,608)
Central Services	294,563	-	-	-	(294,563)
Operation & Maintenance of Plant	159,703	-	-	-	(159,703)
Other Support Services	10	-	-	-	(10)
Facilities Materials, Supplies & Other Services	237,859	-	-	463,645	225,786
Total Governmental Activities	\$ 3,549,552	1,045	41,206	463,645	(3,043,656)
General Revenues:					
State Equalization Guarantee					\$ 2,744,589
Total General Revenues					2,744,589
Change in Net Position (Deficit)					(299,067)
Net Position (Deficit), Beginning					(519,737)
Net Position (Deficit), Ending					\$ (818,804)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Title 1 24101	Daniels Fund 26141
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ 1,280,464	36,558	-	175,000
Accounts Receivable				
Due from Government	-	-	-	-
Due from Other Funds	9,771	-	-	-
Total Assets	<u>\$ 1,290,235</u>	<u>36,558</u>	<u>-</u>	<u>175,000</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 9,956	324	-	-
Accrued Expenses	126,454	-	-	-
Unspent Grant Revenue	-	-	-	175,000
Due to Other Funds	-	-	-	-
Total Liabilities	<u>136,410</u>	<u>324</u>	<u>-</u>	<u>175,000</u>
Fund Balances (Deficit)				
Fund Balance:				
Restricted for:				
Instruction	-	36,234	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	1,153,825	-	-	-
Total Fund Balance	<u>1,153,825</u>	<u>36,234</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 1,290,235</u>	<u>36,558</u>	<u>-</u>	<u>175,000</u>

The accompanying notes are an integral part of these financial statements

Dual Credit Instructional Materials 27103	Bond Student Library 27107	Private Direct Grants 29102	Public School Capital Outlay 31200	HB 33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total Government
-	-	373	-	1,263,078	-	2,755,473
1,191	-	-	-	3,592	8,580	13,363
-	-	-	-	-	-	9,771
<u>1,191</u>	<u>-</u>	<u>373</u>	<u>-</u>	<u>1,266,670</u>	<u>8,580</u>	<u>2,778,607</u>
-	-	-	-	-	-	10,280
-	-	-	-	-	-	126,454
-	-	-	-	-	-	175,000
<u>1,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,580</u>	<u>9,771</u>
<u>1,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,580</u>	<u>321,505</u>
-	-	373	-	-	-	36,607
-	-	-	-	1,266,670	-	1,266,670
-	-	-	-	-	-	1,153,825
-	-	373	-	1,266,670	-	2,457,102
<u>1,191</u>	<u>-</u>	<u>373</u>	<u>-</u>	<u>1,266,670</u>	<u>8,580</u>	<u>2,778,607</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 2,457,102**

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

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

Capital Assets	77,553	
Accumulated Depreciation	<u>(45,918)</u>	
		31,635

Deferred outflow of resources related to pension		1,100,062
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The net pension liability is not due and payable in the current period, and therefore is not reported in the funds.		(4,366,076)
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Deferred inflow of resources related to pension		<u>(41,527)</u>
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Net Position (Deficit)-Total Governmental Activities		<u><u>\$ (818,804)</u></u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Title 1 24101	Daniels Fund 26141
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	2,744,589	22,127	-	-
Federal grant	-	-	5,836	-
Charges for services	1,045	-	-	-
Miscellaneous	1,304	-	-	-
Total Revenues	2,746,938	22,127	5,836	-
Expenditures:				
Current:				
Instruction	1,702,757	31,823	5,836	-
Support Services:				
Students	334,662	-	-	-
Instruction	27,885	-	-	-
General Administration	65,548	-	-	-
School Administration	380,608	-	-	-
Central Services	236,679	-	-	-
Operation & Maintenance of Plant	120,965	-	-	-
Other Support Services Operations	10	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	2,869,114	31,823	5,836	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(122,176)	(9,696)	-	-
Net Changes in Fund Balances	(122,176)	(9,696)	-	-
Fund Balances - Beginning of Year	1,276,001	45,930	-	-
Fund Balances - End of Year	\$ 1,153,825	36,234	-	-

The accompanying notes are an integral part of these financial statements

Dual Credit Instructional Materials 27103	Bond Student Library 27107	Private Direct Grants 29102	Public School Capital Outlay 31200	HB 33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total Government
-	-	-	-	225,786	-	225,786
-	-	-	-	-	-	-
7,944	3,995	-	220,678	-	17,181	3,016,514
-	-	-	-	-	-	5,836
-	-	-	-	-	-	1,045
-	-	-	-	-	-	1,304
<u>7,944</u>	<u>3,995</u>	<u>-</u>	<u>220,678</u>	<u>225,786</u>	<u>17,181</u>	<u>3,250,485</u>
7,944	-	4,493	-	-	-	1,752,853
-	-	-	-	-	-	334,662
-	3,995	-	-	-	-	31,880
-	-	-	-	2,258	-	67,806
-	-	-	-	-	-	380,608
-	-	-	-	-	-	236,679
-	-	-	-	-	-	120,965
-	-	-	-	-	-	10
-	-	-	220,678	-	17,181	237,859
<u>7,944</u>	<u>3,995</u>	<u>4,493</u>	<u>220,678</u>	<u>2,258</u>	<u>17,181</u>	<u>3,163,322</u>
-	-	(4,493)	-	223,528	-	87,163
-	-	(4,493)	-	223,528	-	87,163
-	-	4,866	-	1,043,142	-	2,369,939
-	-	373	-	1,266,670	-	2,457,102

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds	\$ 87,163
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
Change in net pension liability and related accounts	(378,608)
<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 capital outlay exceeds depreciation for the period</p>	
Depreciation Expense	<u>(7,622)</u>
	<u>(7,622)</u>
Change in Net Position-Total Governmental Activities	<u>\$ (299,067)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 31,468
Total Assets	<u>\$ 31,468</u>
LIABILITIES	
Deposits Held for Others	\$ 31,468
Total Liabilities	<u>\$ 31,468</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 29,354	23,462	(21,348)	\$ 31,468
Total Assets	<u>\$ 29,354</u>	<u>23,462</u>	<u>(21,348)</u>	<u>\$ 31,468</u>
LIABILITIES				
Deposits Held for Others	\$ 29,354	23,462	(21,348)	\$ 31,468
Total Liabilities	<u>\$ 29,354</u>	<u>23,462</u>	<u>(21,348)</u>	<u>\$ 31,468</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The Albuquerque Institute for Mathematics & Science (AIMS) defines capital assets as assets with an initial, individual cost of more than \$5,000 and an initial useful life extending beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Furniture and equipment	5 – 10 years
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Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

NOTE 2. RECEIVABLES

Receivables as of June 30, 2017 are as follows:

Due from other governments:	
SB-9 Capital Improvements	\$ 8,580
HB 33 Capital Improvements	3,592
Dual Credit	1,191
Total due from other governments	\$ 13,363

NOTE 3. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures, and Equipment	\$ 77,553	-	-	77,553
<i>Total</i>	77,553	-	-	77,553
<i>Less: Accumulated Depreciation</i>	(38,296)	(7,622)	-	(45,918)
Capital Assets, net	\$ 39,257	(7,622)	-	31,635

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Notes to the Financial Statements
June 30, 2017**

NOTE 3. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$	1,379
General Administration		1,138
Operation & Maintenance of Plant		5,105
Total	\$	<u>7,622</u>

NOTE 4. COMMITMENTS AND LIABILITIES

AIMS leased buildings and equipment under short-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$282,025. AIMS' minimum future payments on these leases are as follows:

Year Ending June 30:	
2018	\$ <u>20,690</u>
Total minimum lease payments	\$ <u>20,690</u>

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Albuquerque Institute for Math and Science Charter High School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Southwest Intermediate Learning Center paid employee and employer contributions of \$240,201 and \$240,866.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Albuquerque Institute for Math and Science Charter High School reported a liability of \$4,366,076 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Albuquerque Institute for Math and Science Charter High School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, AIMS’ proportion was 0.06067% percent, which was an increase of 0.00546% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Albuquerque Institute for Math and Science Charter High School recognized pension expense of \$620,027. As of June 30, 2017, Southwest Intermediate Learning Center reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,942	(41,572)
Changes in assumptions	88,876	-
Net difference between projected and actual earnings on pension plan investments	260,618	-
Changes in proportion and differences between the employer’s contributions and proportionate share of contributions	491,425	-
AIMS contributions subsequent to measurement date	240,201	-
Ending balance	\$ 1,100,062	(41,527)

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount \$240,201 reported as deferred outflows of resources related to pensions resulting from AIMS' 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 286,286
2019	273,682
2020	194,813
2021	63,553
	<u>\$ 818,334</u>

Sensitivity of AIMS' proportionate share of the net pension liability to changes in the discount rate. The following presents Albuquerque Institute for Math and Science Charter High School's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Southwest Primary Learning Center'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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
AIMS' proportionate share of the net pension liability	\$ 5,782,767	4,366,076	3,190,623

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. AIMS did not accrue any payable for the pension plan at June 30, 2017. All 10-month teach contracts for the school year are paid by fiscal year end.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Math and Science Charter High School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017

New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)

	Fiscal Year	30-Jun		
		2017	2016	2015
Measurement Date	2016	2015	2014	
School's Proportion of the Net Pension Liability (Asset)	0.06%	0.06%	0.00%	
School's Proportionate Share of Net Pension Liability (Asset)	\$ 4,366	3,576	2,748	
School's Covered-Employee Payroll	\$ 1,728	1,507	1,327	
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	252.66%	237.29%	207.08%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.58%	63.97%	66.54%	

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Albuquerque Institute for Math and Science Charter High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Math and Science Charter High School
Schedule of School Contributions
June 30, 2017

New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)

	2015	2016	2017
Statutory required contributions	\$ 220	218	240
Contributions in Relation to the Contractually Required Contribution	220	218	240
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Albuquerque Institute for Math and Science Charter High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES:				
Local & County Grant	\$ -	-	-	-
State Grant	2,842,736	2,744,589	2,744,589	-
Charges for Services	-	-	1,045	1,045
Miscellaneous	-	-	1,304	1,304
Total Revenues	2,842,736	2,744,589	2,746,938	2,349
EXPENDITURES:				
Current:				
Instruction	2,666,800	2,044,926	1,702,677	342,249
Support Services:				
Students	278,570	362,497	334,125	28,372
Instruction	30,000	33,083	27,885	5,198
General Administration	67,484	77,507	66,621	10,886
School Administration	396,286	395,125	380,608	14,517
Central Services	262,682	256,750	233,031	23,719
Operation & Maintenance of Plant	370,974	327,665	120,889	206,776
Other Support Services Operations	-	10	10	-
Capital outlay	-	529,714	-	529,714
Total Expenditures	4,072,796	4,027,277	2,865,846	1,161,431
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(1,230,060)	(1,282,688)	(118,908)	1,163,780
Net Changes in Fund Balances	(1,230,060)	(1,282,688)	(118,908)	(1,159,082)
Cash or Fund Balances - Beginning of Year	-	-	1,399,372	1,399,372
Cash or Fund Balances - End of Year	\$ (1,230,060)	(1,282,688)	1,280,464	2,563,152
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			(3,268)	
NET CHANGE IN FUND BALANCE			\$ (122,176)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES:				
State Grant	\$ 19,857	16,649	22,127	5,478
Total Revenues	<u>19,857</u>	<u>16,649</u>	<u>22,127</u>	<u>5,478</u>
EXPENDITURES:				
Current:				
Instruction	63,857	62,579	31,499	31,080
Total Expenditures	<u>63,857</u>	<u>62,579</u>	<u>31,499</u>	<u>31,080</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(44,000)</u>	<u>(45,930)</u>	<u>(9,372)</u>	<u>36,558</u>
Net Changes in Fund Balances	<u>(44,000)</u>	<u>(45,930)</u>	<u>(9,372)</u>	<u>36,558</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>45,930</u>	<u>45,930</u>
Cash or Fund Balances - End of Year	<u>\$ (44,000)</u>	<u>(45,930)</u>	<u>36,558</u>	<u>82,488</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>(324)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (9,696)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Title 1 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES:				
Federal Grant	\$ 19,221	5,836	5,836	-
Total Revenues	<u>19,221</u>	<u>5,836</u>	<u>5,836</u>	<u>-</u>
EXPENDITURES:				
Current:				
Instruction	19,221	5,836	5,836	-
Total Expenditures	<u>19,221</u>	<u>5,836</u>	<u>5,836</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Designated Cash			-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Daniels Fund 26141
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES:				
Federal Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Designated Cash			-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>175,000</u>	<u>175,000</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>175,000</u>	<u>175,000</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES:				
State Grant	\$ -	7,944	9,708	1,764
Total Revenues	<u>-</u>	<u>7,944</u>	<u>9,708</u>	<u>1,764</u>
EXPENDITURES:				
Current:				
Instruction	-	7,944	7,944	-
Total Expenditures	<u>-</u>	<u>7,944</u>	<u>7,944</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>1,764</u>	<u>1,764</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,764</u>	<u>1,764</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(2,955)</u>	<u>(2,955)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,191)</u>	<u>(1,191)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			(1,764)	
Adjustments to Expenditures				
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Bond Student Library 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES:				
State Grant	\$ 3,995	3,995	3,995	-
Total Revenues	3,995	3,995	3,995	-
EXPENDITURES:				
Current:				
Instruction	3,995	3,995	3,995	-
Total Expenditures	3,995	3,995	3,995	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures				
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES:				
Local & County Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
Instruction	-	4,866	4,493	373
Total Expenditures	<u>-</u>	<u>4,866</u>	<u>4,493</u>	<u>373</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(4,866)</u>	<u>(4,493)</u>	<u>373</u>
Net Changes in Fund Balances	<u>-</u>	<u>(4,866)</u>	<u>(4,493)</u>	<u>373</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,866</u>	<u>4,866</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(4,866)</u>	<u>373</u>	<u>5,239</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (4,493)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES:				
State Grant	\$ -	258,100	220,678	(37,422)
Total Revenues	<u>-</u>	<u>258,100</u>	<u>220,678</u>	<u>(37,422)</u>
EXPENDITURES:				
Current:				
Capital outlay	-	220,678	220,678	-
Total Expenditures	<u>-</u>	<u>220,678</u>	<u>220,678</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>37,422</u>	<u>-</u>	<u>(37,422)</u>
Net Changes in Fund Balances	<u>-</u>	<u>37,422</u>	<u>-</u>	<u>(37,422)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>37,422</u>	<u>-</u>	<u>(37,422)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
HB 33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES:				
Property Taxes	\$ 219,403	219,403	225,815	6,412
Total Revenues	<u>219,403</u>	<u>219,403</u>	<u>225,815</u>	<u>6,412</u>
EXPENDITURES:				
Current:				
Support Services:				
General Administration	2,194	3,194	2,222	972
Capital outlay	1,253,200	1,255,694	-	1,255,694
Total Expenditures	<u>1,255,394</u>	<u>1,258,888</u>	<u>2,222</u>	<u>1,256,666</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(1,035,991)</u>	<u>(1,039,485)</u>	<u>223,593</u>	<u>1,263,078</u>
Net Changes in Fund Balances	<u>(1,035,991)</u>	<u>(1,039,485)</u>	<u>223,593</u>	<u>1,263,078</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,039,485</u>	<u>1,039,485</u>
Cash or Fund Balances - End of Year	<u>\$ (1,035,991)</u>	<u>(1,039,485)</u>	<u>1,263,078</u>	<u>2,302,563</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			(29)	
Adjustments to Expenditures			(36)	
NET CHANGE IN FUND BALANCE			<u>\$ 223,528</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES:				
State Grant	\$ 8,600	17,181	8,601	(8,580)
Total Revenues	8,600	17,181	8,601	(8,580)
EXPENDITURES:				
Current:				
Capital outlay	8,600	17,181	17,181	-
Total Expenditures	8,600	17,181	17,181	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(8,580)	(8,580)
Net Changes in Fund Balances	-	-	(8,580)	(8,580)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(8,580)	(8,580)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			8,580	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
SunTrust Bank	Municipal Bond	412707EB3	8/15/2026	\$ 1,774,278
SunTrust Bank	Municipal Bond	413000PR5	8/15/2030	754,810
				<u>\$ 2,529,088</u>
Total cash in bank per Schedule of Cash Accounts:				\$ 2,808,295
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured public funds:				2,558,295
Collateral requirement:				1,279,148
Pledged collateral held by pledging financial institution:				<u>2,529,088</u>
Balance over-collateralized:				<u>\$ 1,249,940</u>
Balance uninsured and uncollateralized at June 30, 2017:				<u>\$ 29,207</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>New Mexico Bank & Trust</u>
Checking - Operational Account	\$ 2,808,295
<i>Total on Deposit</i>	2,808,295
Reconciling Items	<u>(21,354)</u>
Reconciled Balance June 30, 2017	2,786,941
Less Agency Funds	<u>(31,468)</u>
<i>Total Cash</i>	<u><u>\$ 2,755,473</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Federal Flowthrough 24000	Local Grants 26000
Cash, June 30, 2016	\$ 1,424,601	45,930	-	175,000
Add:				
2016-17 revenues	<u>2,746,938</u>	<u>22,127</u>	<u>5,836</u>	<u>-</u>
Total cash available	4,171,539	68,057	5,836	175,000
Less:				
2016-17 expenditures	(2,865,830)	(31,499)	(5,836)	-
Receivables/Payables	126,454	-	-	-
Outstanding Loans	<u>(9,771)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>1,422,392</u>	<u>36,558</u>	<u>-</u>	<u>175,000</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(141,928)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>1,280,464</u>	<u>36,558</u>	<u>-</u>	<u>175,000</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(126,639)</u>	<u>(324)</u>	<u>-</u>	<u>(175,000)</u>
Fund Balance , Modified Accrual Basis	<u>\$ 1,153,825</u>	<u>36,234</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

State Flowthrough 27000	Local or State Fund 29000	Public School Capital Outlay 31200	Capital Improv. HB 33 31600	Capital Improv. SB9 31700	Total
(2,955)	4,866	(64,525)	1,039,485	-	2,622,402
13,703	-	285,203	225,814	8,600	3,308,221
10,748	4,866	220,678	1,265,299	8,600	5,930,623
(11,939)	(4,493)	(220,678)	(2,221)	(17,180)	(3,159,676)
-	-	-	-	-	126,454
1,191	-	-	-	8,580	-
-	373	-	1,263,078	-	2,897,401
-	-	-	-	-	(141,928)
-	373	-	1,263,078	-	2,755,473
-	-	-	3,592	-	(298,371)
-	373	-	1,266,670	-	2,457,102

The accompanying notes are an integral part of these financial statements

ALBUQUERQUE SCHOOL OF EXCELLENCE

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,045,947
Receivables	
Due from Other Governments	101,517
Total Current Assets	<u>1,147,464</u>

Noncurrent Assets:

Capital Assets	
Building	8,210,000
Furniture, Fixtures, and Equipment	61,562
Less: Accumulated Depreciation	<u>(333,670)</u>
Total Capital Assets	<u>7,937,892</u>

Total Assets	<u>9,085,356</u>
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Deferred Outflows - Pension Related	<u>762,804</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	37,644
Accrued Liabilities	238,665
Current Portion of Capital Lease Obligation	<u>117,083</u>
Total Current Liabilities	<u>393,392</u>

Noncurrent Liabilities:

Noncurrent Portion of Capital Lease Obligation	7,865,000
Net Pension Liability	<u>2,982,202</u>
Total Noncurrent Liabilities	<u>10,847,202</u>

Total Liabilities	<u>11,240,594</u>
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Deferred Inflows - Pension Related	<u>28,365</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	(44,191)
Restricted	570,643
Unrestricted (Deficit)	<u>(1,947,251)</u>
Total Net Position (Deficit)	<u>\$ (1,420,799)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Statement of Activities
For The Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 2,059,430	35,080	161,526	-	(1,862,824)
Support Services:					
Students	113,173	-	-	-	(113,173)
Instruction	4,091	-	-	-	(4,091)
General Administration	55,931	-	-	-	(55,931)
School Administration	308,641	-	-	-	(308,641)
Central Services	108,176	-	-	-	(108,176)
Operation & Maintenance of Plant	276,635	-	-	-	(276,635)
Food Services	93,374	16,066	82,386	-	5,078
Community Services Operation	10,420	-	-	-	(10,420)
Facilities Materials, Supplies & Other Services	491,893	-	-	227,323	(264,570)
Total Governmental Activities	\$ 3,521,764	51,146	243,912	227,323	(2,999,383)
		General Revenues:			
					\$ 276,105
					2,984,077
					<u>3,260,182</u>
					Change in Net Position
					260,799
					Net Position (Deficit), Beginning
					<u>(1,681,598)</u>
					Net Position (Deficit), Ending
					<u>\$ (1,420,799)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Balance Sheets - Governmental Funds
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 467,603	20,641	10,885	-
Accounts Receivable				
Due from Other Governments	-	-	-	52,571
Due from Other Funds	89,631	-	-	-
Total Assets	\$ 557,234	20,641	10,885	52,571
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 24,028	13,616	-	-
Accrued Expenditures	232,694	-	-	5,971
Due to Other Funds	-	-	-	46,600
Total Liabilities	256,722	13,616	-	52,571
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	7,025	-	-
Food Services	-	-	10,885	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	300,512	-	-	-
Total Fund Balances	300,512	7,025	10,885	-
Total Liabilities and Fund Balances	\$ 557,234	20,641	10,885	52,571

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	HB2 Dual Credit Instructional Materials 27103	GO Bonds Student Library 27107	College Navigator Initiative 27189	Public School Capital Outlay 31200
-	-	-	-	-	-	-
31,601	-	6,480	-	-	-	-
-	-	-	-	-	-	-
<u>31,601</u>	<u>-</u>	<u>6,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
31,601	-	6,480	-	-	-	-
<u>31,601</u>	<u>-</u>	<u>6,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>31,601</u>	<u>-</u>	<u>6,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Balance Sheets - Governmental Funds (Continued)
June 30, 2017**

	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	Capital Improvements SB-9 Local 31701	Total
ASSETS				
Cash and Cash Equivalents	\$ 182,842	-	363,976	1,045,947
Accounts Receivable				
Due from Other Governments	3,777	4,950	2,138	101,517
Due from Other Funds	-	-	-	89,631
Total Assets	\$ 186,619	4,950	366,114	1,237,095
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	-	-	37,644
Accrued Expenditures	-	-	-	238,665
Due to Other Funds	-	4,950	-	89,631
Total Liabilities	-	4,950	-	365,940
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	-	-	7,025
Food Services	-	-	-	10,885
Capital Improvements	186,619	-	366,114	552,733
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	300,512
Total Fund Balances	186,619	-	366,114	871,155
Total Liabilities and Fund Balances	\$ 186,619	4,950	366,114	1,237,095

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 871,155**

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

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

Capital Assets	8,271,562	
Accumulated Depreciation	<u>(333,670)</u>	
		7,937,892

Capital lease obligations are not due and payable in the current period and therefore are not reported in the funds.		(7,982,083)
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Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		762,804
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(28,365)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(2,982,202)</u>
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Net Position (Deficit)-Total Governmental Activities		<u><u>\$ (1,420,799)</u></u>
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The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	614	-	-	-
State Grant	2,984,077	26,466	-	-
Federal Grant	-	-	82,386	83,886
Charges for Services	35,080	-	16,066	-
Total Revenues	3,019,771	26,466	98,452	83,886
EXPENDITURES				
Current:				
Instruction	1,786,374	26,130	-	78,858
Support Services:				
Students	68,134	-	-	543
Instruction	4,091	-	-	-
General Administration	52,081	-	-	3,850
School Administration	272,229	-	-	635
Central Services	106,595	-	-	-
Operation & Maintenance of Plant	504,552	-	-	-
Food Services Operations	-	-	93,374	-
Community Services Operations	10,420	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	2,804,476	26,130	93,374	83,886
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>215,295</u>	<u>336</u>	<u>5,078</u>	<u>-</u>
Other Financing Sources				
Transfers in (out)	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>215,295</u>	<u>336</u>	<u>5,078</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>85,217</u>	<u>6,689</u>	<u>5,807</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 300,512</u>	<u>7,025</u>	<u>10,885</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	HB2 Dual Credit Instructional Materials 27103	GO Bonds Student Library 27107	College Navigator Initiative 27189	Public School Capital Outlay 31200
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	154	-	4,593	216,458
39,333	-	6,480	-	-	-	-
-	-	-	-	-	-	-
<u>39,333</u>	<u>-</u>	<u>6,480</u>	<u>154</u>	<u>-</u>	<u>4,593</u>	<u>216,458</u>
-	-	6,480	154	-	2,000	-
39,333	-	-	-	-	2,593	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	216,458
<u>39,333</u>	<u>-</u>	<u>6,480</u>	<u>154</u>	<u>-</u>	<u>4,593</u>	<u>216,458</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Statement of Revenues, Expenditures, and Changes In Fund Balances (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	Capital Improvements SB-9 Local 31701	Total
REVENUES				
Property Taxes	\$ 182,842	-	93,263	276,105
Local & County Grant	-	-	-	614
State Grant	3,777	4,950	2,138	3,242,613
Federal Grant	-	-	-	212,085
Charges for Services	-	-	-	51,146
Total Revenues	<u>186,619</u>	<u>4,950</u>	<u>95,401</u>	<u>3,782,563</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	1,899,996
Support Services:				
Students	-	-	-	110,603
Instruction	-	-	-	4,091
General Administration	-	-	-	55,931
School Administration	-	-	-	272,864
Central Services	-	-	-	106,595
Operation & Maintenance of Plant	-	-	-	504,552
Food Services Operations	-	-	-	93,374
Community Services Operation	-	-	-	10,420
Capital Outlay	-	4,950	-	221,408
Total Expenditures	<u>-</u>	<u>4,950</u>	<u>-</u>	<u>3,279,834</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>186,619</u>	<u>-</u>	<u>95,401</u>	<u>502,729</u>
Other Financing Sources				
Transfers in (out)	<u>-</u>	<u>(270,713)</u>	<u>270,713</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>(270,713)</u>	<u>270,713</u>	<u>-</u>
Net Changes in Fund Balances	<u>186,619</u>	<u>(270,713)</u>	<u>366,114</u>	<u>502,729</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>270,713</u>	<u>-</u>	<u>368,426</u>
Fund Balances - End of Year	<u>\$ 186,619</u>	<u>-</u>	<u>366,114</u>	<u>871,155</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 502,729**

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

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 capital outlay exceeds
depreciation for the period

Depreciation Expense (272,185)

Repayment of capital lease principal obligations is an expenditure
in the governmental funds, but the repayment reduces long-term
liabilities in the Statement of Net Position 227,917

Changes in deferred outflows of resources-pension related,
deferred inflows of resources-pension related, and the net
pension liability (197,662)

Change in Net Position-Total Governmental Activities **\$ 260,799**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 38,360
Total Assets	<u>\$ 38,360</u>
LIABILITIES	
Deposits Held for Others	\$ 38,360
Total Liabilities	<u>\$ 38,360</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 23,221	82,094	(66,955)	38,360
Total Assets	<u>\$ 23,221</u>	<u>82,094</u>	<u>(66,955)</u>	<u>38,360</u>
LIABILITIES				
Deposits Held for Others	\$ 23,221	82,094	(66,955)	38,360
Total Liabilities	<u>\$ 23,221</u>	<u>82,094</u>	<u>(66,955)</u>	<u>38,360</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Albuquerque School of Excellence’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Albuquerque School of Excellence does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Albuquerque School of Excellence utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	3-20 years
Building	30 years

Capital assets for Albuquerque School of Excellence are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Adjustments	June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Building	\$ 9,354,876	-	(1,144,876)	8,210,000
Furniture, Fixtures and Equipment	61,562	-	-	61,562
<i>Total</i>	<u>9,416,438</u>	<u>-</u>	<u>(1,144,876)</u>	<u>8,271,562</u>
<i>Less: Accumulated Depreciation</i>				
Building	-	(270,485)	(25,987)	(296,472)
Furniture, Fixtures and Equipment	(61,485)	(1,700)	25,987	(37,198)
<i>Total</i>	<u>(61,485)</u>	<u>(272,185)</u>	<u>-</u>	<u>(333,670)</u>
Capital Assets, Net	<u>\$ 9,354,953</u>	<u>(272,185)</u>	<u>(1,144,876)</u>	<u>7,937,892</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$	1,700
Facilities, Materials, Supplies & Other Services		270,485
Total	\$	272,185

At June 30, 2016, the School reported the building and the related capital lease obligation in the amount of \$9,354,876. During fiscal year 2017, management determined that the value of the building and capital lease obligation were \$8,210,000. As a result, the balance of the building and the capital lease were each reduced by \$1,144,876 as of the beginning of the year.

NOTE 3. COMMITMENTS AND LIABILITIES

Effective May 23, 2016, the School entered into a lease purchase agreement and capital lease with the landlord, Charter School Solutions. The lease has a 30 year term which is the estimated life of the building. A summary of the capital lease obligation and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2016</u>	<u>Reductions</u>	<u>Adjustments</u>	<u>June 30, 2017</u>
Capital Lease Obligation	\$ 9,354,876	(227,917)	(1,144,876)	7,982,083

The amount due within one year totals \$117,083. At June 30, 2016, the School reported the capital lease obligation in the amount of \$9,354,876. During fiscal year 2017, management determined that the value of the capital lease obligation was \$8,210,000. As a result, the capital lease and the building were each reduced by \$1,144,876 as of the beginning of the year. The following is an analysis of the leased property under capital leases by major class:

<u>Classes of Property</u>	<u>Asset Balance</u>
Building	\$ 8,210,000
Less: Accumulated amortization	(296,472)
	<u>\$ 7,913,528</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES (CONTINUED)

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of June 30, 2017:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 117,083	395,438	512,521
2019	124,167	388,413	512,580
2020	132,083	380,963	513,046
2021	147,500	373,038	520,538
2022	167,083	365,305	532,388
2023-2027	951,667	1,710,331	2,661,998
2028-2032	1,185,000	1,472,318	2,657,318
2033-2037	1,516,250	1,144,813	2,661,063
2038-2042	1,934,583	726,021	2,660,604
2043-2046	1,706,667	202,375	1,909,042
Total	<u>\$ 7,982,083</u>	<u>7,159,015</u>	<u>15,141,098</u>

The total outstanding principal balance under this capital lease is reflected on the statement of net position as current and noncurrent portions of long-term debt of \$117,083 and \$7,865,000, respectively. The principal and interest payments are included in the operational and public school capital outlay funds. During fiscal year 2017, interest expense totaled \$189,069 and principal payments totaled \$227,917.

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Albuquerque School of Excellence and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Albuquerque School of Excellence paid employee and employer contributions of \$209,698 and \$161,239.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Albuquerque School of Excellence reported a liability of \$2,982,202 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Albuquerque School of Excellence’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Albuquerque School of Excellence’s proportion was 0.04144%, which was an increase of 0.00526% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Albuquerque School of Excellence recognized pension expense of \$411,444. At June 30, 2017, Albuquerque School of Excellence reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,938	(28,365)
Changes in assumptions	60,706	-
Net difference between projected and actual earnings on pension plan investments	178,013	-
Changes in proportion and differences between Albuquerque School of Excellence’s contributions and proportionate share of contributions	301,449	-
Albuquerque School of Excellence’s contributions subsequent to measurement date	<u>209,698</u>	<u>-</u>
Total	<u>\$ 762,804</u>	<u>(28,365)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$209,698 reported as deferred outflows of resources related to pensions resulting from Albuquerque School of Excellence contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	179,659
2019		148,588
2020		153,084
2021		<u>43,410</u>
Total	\$	<u>524,741</u>

Sensitivity of Albuquerque School of Excellence’s proportionate share of the net pension liability to changes in the discount rate. The following presents the Albuquerque School of Excellence proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Albuquerque School of Excellence’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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
The School’s proportionate share of the net pension liability	<u>\$ 3,949,857</u>	<u>2,982,202</u>	<u>2,179,322</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Albuquerque School of Excellence owed \$66,859 to ERB for fiscal year 2017 contributions.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	30-Jun			
	Fiscal Year	2017	2016	2015
	Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)		0.04144%	0.03618%	0.03571%
School's Proportionate Share of Net Pension Liability (Asset)	\$	2,982	2,343	2,038
School's Covered-Employee Payroll	\$	1,136	988	984
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	237.23%	207.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Albuquerque School of Excellence is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 139	161	210
Contributions in Relation to the Contractually Required Contribution	139	161	210
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Albuquerque School of Excellence is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	614	614
State Grant	3,173,543	2,979,992	2,984,077	4,085
Charges for Services	-	22,713	35,140	12,427
Total Revenues	3,173,543	3,002,705	3,019,831	17,126
EXPENDITURES				
Current:				
Instruction	1,986,194	1,836,442	1,799,982	36,460
Support Services:				
Students	62,500	80,500	70,922	9,578
Instruction	15,200	10,200	3,866	6,334
General Administration	39,200	69,300	63,830	5,470
School Administration	295,409	285,409	273,983	11,426
Central Services	103,444	103,444	105,329	(1,885)
Operation & Maintenance of Plant	525,674	590,173	508,297	81,876
Other Support Services	145,922	145,922	-	145,922
Community Services Operations	-	22,713	10,420	12,293
Total Expenditures	3,173,543	3,144,103	2,836,629	307,474
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(141,398)	183,202	324,600
Other Financing Sources (Uses):				
Designated Cash	-	141,398	-	(141,398)
Total Other Financing Sources (Uses):	-	141,398	-	(141,398)
Net Changes in Fund Balances	-	-	183,202	183,202
Cash or Fund Balances - Beginning of Year	-	-	85,217	85,217
Cash or Fund Balances - End of Year	\$ -	-	268,419	268,419
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
			\$ 183,202	
Adjustments to Revenues			(60)	
Adjustments to Expenditures			32,153	
NET CHANGE IN FUND BALANCE			\$ 215,295	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 17,331	19,914	26,466	6,552
Total Revenues	<u>17,331</u>	<u>19,914</u>	<u>26,466</u>	<u>6,552</u>
EXPENDITURES				
Current:				
Instruction	17,331	50,884	36,795	14,089
Total Expenditures	<u>17,331</u>	<u>50,884</u>	<u>36,795</u>	<u>14,089</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(30,970)</u>	<u>(10,329)</u>	<u>20,641</u>
Other Financing Sources (Uses):				
Designated Cash	-	30,970	-	(30,970)
Total Other Financing Sources (Uses):	<u>-</u>	<u>30,970</u>	<u>-</u>	<u>(30,970)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(10,329)</u>	<u>(10,329)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>6,689</u>	<u>6,689</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,640)</u>	<u>(3,640)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (10,329)	
Adjustments to Revenues			-	
Adjustments to Expenditures			10,665	
NET CHANGE IN FUND BALANCE			<u>\$ 336</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 63,000	79,924	82,386	2,462
Charges for Services	12,000	12,000	16,066	4,066
Total Revenues	<u>75,000</u>	<u>91,924</u>	<u>98,452</u>	<u>6,528</u>
EXPENDITURES				
Current:				
Food Services Operations	75,000	97,731	93,374	4,357
Total Expenditures	<u>75,000</u>	<u>97,731</u>	<u>93,374</u>	<u>4,357</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(5,807)</u>	<u>5,078</u>	<u>10,885</u>
Other Financing Sources (Uses):				
Designated Cash	-	5,807	-	(5,807)
Total Other Financing Sources (Uses):	<u>-</u>	<u>5,807</u>	<u>-</u>	<u>(5,807)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>5,078</u>	<u>5,078</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>5,807</u>	<u>5,807</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>10,885</u>	<u>10,885</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 5,078	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 5,078</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 70,386	106,852	101,308	(5,544)
Total Revenues	<u>70,386</u>	<u>106,852</u>	<u>101,308</u>	<u>(5,544)</u>
EXPENDITURES				
Current:				
Instruction	67,431	101,806	78,858	22,948
Support Services:				
Students	-	-	543	(543)
General Administration	2,955	5,046	3,850	1,196
School Administration	-	-	635	(635)
Total Expenditures	<u>70,386</u>	<u>106,852</u>	<u>83,886</u>	<u>22,966</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	17,422	17,422
Net Changes in Fund Balances	-	-	17,422	17,422
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>17,422</u>	<u>17,422</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 17,422	
Adjustments to Revenues			(17,422)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 45,083	65,412	45,723	(19,689)
Total Revenues	<u>45,083</u>	<u>65,412</u>	<u>45,723</u>	<u>(19,689)</u>
EXPENDITURES				
Current:				
Instruction	11,280	11,280	-	11,280
Support Services:				
Students	33,803	54,132	39,333	14,799
Total Expenditures	<u>45,083</u>	<u>65,412</u>	<u>39,333</u>	<u>26,079</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>6,390</u>	<u>6,390</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>6,390</u>	<u>6,390</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>6,390</u>	<u>6,390</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 6,390	
Adjustments to Revenues			(6,390)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	-	60	60
Total Revenues	<u>-</u>	<u>-</u>	<u>60</u>	<u>60</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>60</u>	<u>60</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>60</u>	<u>60</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>60</u>	<u>60</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 60	
Adjustments to Revenues			(60)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 10,963	10,963	4,743	(6,220)
Total Revenues	<u>10,963</u>	<u>10,963</u>	<u>4,743</u>	<u>(6,220)</u>
EXPENDITURES				
Current:				
Instruction	10,963	10,963	6,480	4,483
Total expenditures	<u>10,963</u>	<u>10,963</u>	<u>6,480</u>	<u>4,483</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(1,737)	(1,737)
Net changes in Fund Balances	-	-	(1,737)	(1,737)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,737)</u>	<u>(1,737)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (1,737)	
Adjustments to Revenues			1,737	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
HB2 Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	154	154	-
Total Revenues	<u>-</u>	<u>154</u>	<u>154</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	154	154	-
Total Expenditures	<u>-</u>	<u>154</u>	<u>154</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
GO Bonds Student Library 27107
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 2,782	3,833	3,359	(474)
Total Revenues	<u>2,782</u>	<u>3,833</u>	<u>3,359</u>	<u>(474)</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	2,782	3,833	-	3,833
Total Expenditures	<u>2,782</u>	<u>3,833</u>	<u>-</u>	<u>3,833</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>3,359</u>	<u>3,359</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,359</u>	<u>3,359</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,359</u>	<u>3,359</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 3,359	
Adjustments to Revenues			(3,359)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
College Navigator Initiative 27189
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 6,500	6,500	4,593	(1,907)
Total Revenues	<u>6,500</u>	<u>6,500</u>	<u>4,593</u>	<u>(1,907)</u>
EXPENDITURES				
Current:				
Instruction	2,000	2,000	2,000	-
Support Services:				
Students	4,500	4,500	2,593	1,907
Total Expenditures	<u>6,500</u>	<u>6,500</u>	<u>4,593</u>	<u>1,907</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	216,458	271,953	55,495
Total Revenues	<u>-</u>	<u>216,458</u>	<u>271,953</u>	<u>55,495</u>
EXPENDITURES				
Capital Outlay	-	216,458	216,458	-
Total Expenditures	<u>-</u>	<u>216,458</u>	<u>216,458</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	55,495	55,495
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>55,495</u>	<u>55,495</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>55,495</u>	<u>55,495</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 55,495	
Adjustments to Revenues			(55,495)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Property Taxes	\$ 188,931	188,931	182,842	(6,089)
Total Revenues	<u>188,931</u>	<u>188,931</u>	<u>182,842</u>	<u>(6,089)</u>
EXPENDITURES				
Capital Outlay	188,931	188,931	-	188,931
Total Expenditures	<u>188,931</u>	<u>188,931</u>	<u>-</u>	<u>188,931</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	182,842	182,842
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>182,842</u>	<u>182,842</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>182,842</u>	<u>182,842</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 182,842	
Adjustments to Revenues			3,777	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 186,619</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 28,624	38,886	-	(38,886)
Total Revenues	<u>28,624</u>	<u>38,886</u>	<u>-</u>	<u>(38,886)</u>
EXPENDITURES				
Capital Outlay	28,624	38,886	4,950	33,936
Total Expenditures	<u>28,624</u>	<u>38,886</u>	<u>4,950</u>	<u>33,936</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,950)</u>	<u>(4,950)</u>
Other Financing Sources (Uses):				
Transfers out	-	-	(270,713)	(270,713)
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>(270,713)</u>	<u>(270,713)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(275,663)</u>	<u>(275,663)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>270,713</u>	<u>270,713</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(4,950)</u>	<u>(4,950)</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ (275,663)	
Adjustments to Revenues			4,950	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (270,713)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 94,678	94,678	94,791	113
Total Revenues	<u>94,678</u>	<u>94,678</u>	<u>94,791</u>	<u>113</u>
EXPENDITURES				
Capital Outlay	364,397	363,863	-	363,863
Total Expenditures	<u>364,397</u>	<u>363,863</u>	<u>-</u>	<u>363,863</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(269,719)</u>	<u>(269,185)</u>	<u>94,791</u>	<u>363,976</u>
Other Financing Sources (Uses):				
Transfers in	269,719	269,185	270,713	1,528
Total Other Financing Sources (Uses):	<u>269,719</u>	<u>269,185</u>	<u>270,713</u>	<u>1,528</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>365,504</u>	<u>365,504</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>365,504</u>	<u>365,504</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ 365,504	
Adjustments to Revenues			610	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 366,114</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
BNY Mellon	FMAC FGPC 3.5%	3132M94K7	10/1/2044	\$ 491,349
				<u>\$ 491,349</u>
Total Cash in Bank per Schedule of Cash Accounts:				\$ 1,109,499
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				859,499
Collateral Requirement:				429,750
Pledged Collateral Held by Pledging Financial Institution:				<u>491,349</u>
Balance Over Collateralized:				<u>\$ 61,599</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 368,150</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 1,109,499
<i>Total on Deposit</i>	1,109,499
Reconciling Items	<u>(25,192)</u>
Reconciled Balance June 30, 2017	<u>1,084,307</u>
Less Agency Funds	<u>(38,360)</u>
<i>Total Cash</i>	<u><u>\$ 1,045,947</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000
Cash, June 30, 2016	\$ 162,073	30,970	5,807	23,221
Add:				
2016-17 revenues	3,019,831	26,466	98,452	82,094
Total Cash Available	3,181,904	57,436	104,259	105,315
Less:				
2016-17 expenditures	(2,836,629)	(36,795)	(93,374)	(66,955)
Receivables/Payables	232,694	-	-	-
Cash transfers	-	-	-	-
Outstanding Loans	(89,631)	-	-	-
Cash June 30, 2017	488,338	20,641	10,885	38,360
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	(20,735)	-	-	-
Cash Per Books	467,603	20,641	10,885	38,360
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(167,091)	(13,616)	-	(38,360)
Fund Balance, Modified Accrual Basis	<u>\$ 300,512</u>	<u>7,025</u>	<u>10,885</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	State Account 27000	Public School Capital Outlay 31200	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	Capital Improvements SB-9 Local 31701	Total
-	-	-	-	269,185	-	491,256
151,834	8,106	271,953	182,842	-	94,791	3,936,369
151,834	8,106	271,953	182,842	269,185	94,791	4,427,625
(129,699)	(4,747)	(216,458)	-	(4,950)	-	(3,389,607)
5,971	-	-	-	-	-	238,665
-	-	-	-	(270,713)	270,713	-
84,681	-	-	-	4,950	-	-
112,787	3,359	55,495	182,842	(1,528)	365,504	1,276,683
(112,787)	(3,359)	(55,495)	-	1,528	(1,528)	(192,376)
-	-	-	182,842	-	363,976	1,084,307
					Less - Agency Fund:	(38,360)
						<u>\$ 1,045,947</u>
-	-	-	3,777	-	2,138	(213,152)
-	-	-	186,619	-	366,114	871,155

ALBUQUERQUE SIGN LANGUAGE ACADEMY

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 866,207
Receivables	
Due from Government	155,098
Investments	68,951
Total Current Assets	<u>1,090,256</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	27,851
Less: Accumulated Depreciation	<u>(18,175)</u>
Total Noncurrent Assets	<u>9,676</u>

Total Assets 1,099,932

Deferred Outflows - Pension Related 996,923

LIABILITIES

Current Liabilities:

Accrued Expenses	<u>74,082</u>
Total Current Liabilities	<u>74,082</u>

Noncurrent Liabilities:

Net Pension Liability	<u>3,379,445</u>
Total Noncurrent Liabilities	<u>3,379,445</u>

Total Liabilities 3,453,527

Deferred Inflows - Pension Related 32,143

NET POSITION (DEFICIT)

Investment in Capital Assets	9,676
Restricted	168,648
Unrestricted (Deficit)	<u>(1,567,139)</u>
Total Net Position (Deficit)	<u>\$ (1,388,815)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Statement of Activities
For The Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 1,411,523	-	260,423	-	(1,151,100)
Support Services:					
Students	678,191	-	115,468	-	(562,723)
Instruction	19,259	-	17,800	-	(1,459)
General Administration	38,469	-	-	-	(38,469)
School Administration	442,556	-	55,710	-	(386,846)
Central Services	188,272	-	36,098	-	(152,174)
Operation & Maintenance of Plant	54,614	-	-	-	(54,614)
Student Transportation	228,060	-	186,830	-	(41,230)
Food Services	51,446	4,112	44,595	-	(2,739)
Facilities Materials, Supplies & Other Services	81,015	-	-	116,802	35,787
Total Governmental Activities	\$ 3,193,405	4,112	716,924	116,802	(2,355,567)
General Revenues:					
Property Taxes					\$ 90,717
State Equalization Guarantee					1,916,373
Miscellaneous					13,891
Total General Revenues					<u>2,020,981</u>
Change in Net Position					(334,586)
Net Position (Deficit), Beginning					<u>(1,054,229)</u>
Net Position (Deficit), Ending					<u>\$ (1,388,815)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
ASSETS				
Cash and Cash Equivalents	\$ 496,013	661	12,452	1,185
Accounts Receivable				
Due from Government	-	-	-	-
Due from Other Funds	147,858	-	-	-
Investments	-	-	-	-
Total Assets	\$ 643,871	661	12,452	1,185
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Expenditures	67,663	661	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	67,663	661	-	-
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	-	12,452	-
Food Service Operations	-	-	-	1,185
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	576,208	-	-	-
Total Fund Balance	576,208	-	12,452	1,185
Total Liabilities and Fund Balances	\$ 643,871	661	12,452	1,185

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	Title 1 1003G 24124	Title XIX Medicaid 25153	United Way 26218	Reads to Lead 27114
-	-	-	-	4,776	-
20,717	15,771	83,641	1,380	-	13,282
-	-	-	-	-	-
-	-	-	-	-	-
<u>20,717</u>	<u>15,771</u>	<u>83,641</u>	<u>1,380</u>	<u>4,776</u>	<u>13,282</u>
980	-	4,356	-	419	3
19,737	15,771	79,285	1,380	-	13,279
<u>20,717</u>	<u>15,771</u>	<u>83,641</u>	<u>1,380</u>	<u>419</u>	<u>13,282</u>
-	-	-	-	4,357	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	4,357	-
<u>20,717</u>	<u>15,771</u>	<u>83,641</u>	<u>1,380</u>	<u>4,776</u>	<u>13,282</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Breakfast for Elementary Students 27155	Private Direct Grant 29102	McCune Foundation 29114	Public School Capital Outlay 31200
ASSETS				
Cash and Cash Equivalents	\$ -	202,367	31,025	-
Accounts Receivable				
Due from Government	-	-	-	18,406
Due from Other Funds	-	-	-	-
Investments	-	68,951	-	-
Total Assets	\$ -	271,318	31,025	18,406
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accrued Expenditures	\$ -	-	-	-
Due to Other Funds	-	-	-	18,406
Total Liabilities	-	-	-	18,406
<i>Fund Balances</i>				
Fund Balance:				
Restricted for:				
Instruction	-	-	31,025	-
Food Service Operations	-	-	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	271,318	-	-
Total Fund Balance	-	271,318	31,025	-
Total Liabilities and Fund Balances	\$ -	271,318	31,025	18,406

The accompanying notes are an integral part of these financial statements

HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
58,489	-	59,239	866,207
1,211	-	690	155,098
-	-	-	147,858
-	-	-	68,951
<u>59,700</u>	<u>-</u>	<u>59,929</u>	<u>1,238,114</u>
-	-	-	74,082
-	-	-	147,858
-	-	-	221,940
-	-	-	47,834
-	-	-	1,185
59,700	-	59,929	119,629
-	-	-	847,526
<u>59,700</u>	<u>-</u>	<u>59,929</u>	<u>1,016,174</u>
<u>59,700</u>	<u>-</u>	<u>59,929</u>	<u>1,238,114</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 1,016,174**

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

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

Capital Assets	27,851	
Accumulated Depreciation	<u>(18,175)</u>	
		9,676

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds		996,923
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(32,143)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(3,379,445)</u>
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Net Position (Deficit) - Total Governmental Activities **\$ (1,388,815)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	1,916,373	186,830	6,022	-
Federal Grant	-	-	-	42,478
Contributions	-	-	-	-
Miscellaneous Income	7,742	-	-	4,112
Total Revenues	<u>1,924,115</u>	<u>186,830</u>	<u>6,022</u>	<u>46,590</u>
EXPENDITURES				
Current:				
Instruction	919,805	-	4,477	-
Support Services:				
Students	429,400	-	-	-
Instruction	1,459	-	-	-
General Administration	13,025	-	-	-
School Administration	332,971	-	-	-
Central Services	131,707	-	-	-
Operation & Maintenance of Plant	52,840	-	-	-
Student Transportation	23,079	202,506	-	-
Food Services Operations	-	-	-	49,329
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,904,286</u>	<u>202,506</u>	<u>4,477</u>	<u>49,329</u>
<i>Excess(Deficiency) of Revenues Over (Under) Expenditures</i>	<u>19,829</u>	<u>(15,676)</u>	<u>1,545</u>	<u>(2,739)</u>
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>19,829</u>	<u>(15,676)</u>	<u>1,545</u>	<u>(2,739)</u>
Fund Balances - Beginning of Year	<u>556,379</u>	<u>15,676</u>	<u>10,907</u>	<u>3,924</u>
Fund Balances - End of Year	<u>\$ 576,208</u>	<u>-</u>	<u>12,452</u>	<u>1,185</u>

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	Title 1 1003G 24124	Title XIX Medicaid 25153	United Way 26218	Reads to Lead 27114
-	-	-	-	-	-
-	-	-	-	-	73,322
35,272	31,237	268,968	49,324	-	-
-	-	-	-	1,354	-
-	-	-	-	-	-
<u>35,272</u>	<u>31,237</u>	<u>268,968</u>	<u>49,324</u>	<u>1,354</u>	<u>73,322</u>
15,434	-	164,291	-	10,514	73,322
517	31,237	34,390	90,293	9,942	-
-	-	17,800	-	-	-
-	-	-	-	-	-
19,321	-	16,389	-	-	-
-	-	36,098	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>35,272</u>	<u>31,237</u>	<u>268,968</u>	<u>90,293</u>	<u>20,456</u>	<u>73,322</u>
-	-	-	(40,969)	(19,102)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(40,969)	(19,102)	-
-	-	-	40,969	23,459	-
-	-	-	-	4,357	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances - Continued
Governmental Funds
For The Year Ended June 30, 2017

	Breakfast for Elementary Students 27155	Private Direct Grant 29102	McCune Foundation 29114	Public School Capital Outlay 31200
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	2,117	-	-	78,881
Federal Grant	-	-	-	-
Contributions	-	37,921	20,000	-
Miscellaneous Income	-	6,149	-	-
Total Revenues	<u>2,117</u>	<u>44,070</u>	<u>20,000</u>	<u>78,881</u>
EXPENDITURES				
Current:				
Instruction	-	1,053	28	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	25,444	-	-
School Administration	-	4,620	9,945	-
Central Services	-	-	2,708	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	2,117	-	-	-
Capital Outlay	-	-	-	78,881
Total Expenditures	<u>2,117</u>	<u>31,117</u>	<u>12,681</u>	<u>78,881</u>
<i>Excess(Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>12,953</u>	<u>7,319</u>	<u>-</u>
Other financing sources (uses):				
Transfers in (out)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>12,953</u>	<u>7,319</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>258,365</u>	<u>23,706</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>271,318</u>	<u>31,025</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
59,700	-	31,017	90,717
-	-	-	2,263,545
-	-	-	427,279
-	-	-	59,275
-	-	-	18,003
<u>59,700</u>	<u>-</u>	<u>31,017</u>	<u>2,858,819</u>
-	-	-	1,188,924
-	-	-	595,779
-	-	-	19,259
-	-	-	38,469
-	-	-	383,246
-	-	-	170,513
-	-	-	52,840
-	-	-	225,585
-	-	-	51,446
-	-	14,230	93,111
<u>-</u>	<u>-</u>	<u>14,230</u>	<u>2,819,172</u>
<u>59,700</u>	<u>-</u>	<u>16,787</u>	<u>39,647</u>
<u>-</u>	<u>(43,142)</u>	<u>43,142</u>	<u>-</u>
<u>-</u>	<u>(43,142)</u>	<u>43,142</u>	<u>-</u>
<u>59,700</u>	<u>(43,142)</u>	<u>59,929</u>	<u>39,647</u>
<u>-</u>	<u>43,142</u>	<u>-</u>	<u>976,527</u>
<u>59,700</u>	<u>-</u>	<u>59,929</u>	<u>1,016,174</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 39,647**

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 expense in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation for the period

Capital Outlays	12,096	
Depreciation Expense	(3,378)	
	8,718	

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability (382,951)

Change in Net Position-Total Governmental Activities **\$ (334,586)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 25,000</u>
Total Assets	<u><u>\$ 25,000</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 25,000</u>
Total Liabilities	<u><u>\$ 25,000</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 15,593	19,518	(10,111)	25,000
Total Assets	<u>\$ 15,593</u>	<u>19,518</u>	<u>(10,111)</u>	<u>25,000</u>
 LIABILITIES				
Deposits Held for Others	\$ 15,593	19,518	(10,111)	25,000
Total Liabilities	<u>\$ 15,593</u>	<u>19,518</u>	<u>(10,111)</u>	<u>25,000</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Albuquerque Sign Language Academy's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Albuquerque Sign Language Academy does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Albuquerque Sign Language Academy utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 3-15 years

Capital assets for Albuquerque Sign Language Academy are recorded in the Statement of Net Position.

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

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	15,755	12,096	-	27,851
<i>Total</i>	<u>15,755</u>	<u>12,096</u>	<u>-</u>	<u>27,851</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(14,797)	(3,378)	-	(18,175)
<i>Total</i>	<u>(14,797)</u>	<u>(3,378)</u>	<u>-</u>	<u>(18,175)</u>
Capital Assets, Net	<u>\$ 958</u>	<u>8,718</u>	<u>-</u>	<u>9,676</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

School Administration	\$ 3,378
Total	<u>\$ 3,378</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 3. INVESTMENTS

During 2015, the School received a contribution of an investment portfolio of common stock valued at \$49,722. As of June 30, 2017 the value of the common stock was \$68,951 and was restricted by the donor for capital improvements.

Custodial Credit Risk: The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the School will not be able to recover the value of its investments in the possession of another party. All of the School’s investments are registered or held by the School’s agent in the School’s name.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. None of the School’s investments in common stock are subject to interest rate risk at June 30, 2017.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. However, none of the School’s investments in common stock at June 30, 2017 are rated and the School does not have a policy limiting credit risk.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of an entity’s investment in a single issuer. The School places no limit on the amount that these investments may be invested in any one issuer. The School had the following investments in common stock at June 30, 2017:

Clorox	\$	8,661
Dr. Pepper		18,222
Hasbro		15,611
Johnson & Johnson		26,457
Total	<u>\$</u>	<u>68,951</u>

Fair Value Measurement: The School’s investments measured and reported at fair value are classified according to the following hierarchy:

- Level 1 – Investments reflect prices quoted in active markets.
- Level 2 – Investments reflect prices that are based on similar observable assets, either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk. All of the School’s investments are classified as Level 1 investments as of June 30, 2017, as they are based on quoted prices in active markets for those securities.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 4. COMMITMENTS AND LIABILITIES

Albuquerque Sign Language Academy leases facilities under a short-term cancelable operating lease. Lease expense for the year ended June 30, 2017 was \$78,881. The School's minimum future payments are based on the total allocation from the Public School Capital Outlay Funds.

NOTE 5. RELATED PARTY TRANSACTIONS

The School Administrator's spouse is employed by a company that provides information technology services to the School. Total payments to this company were \$13,891. The spouse of the School's Executive Director provided professional services related to grant applications. Total payments to this individual were \$735 during fiscal year 2017. Additionally, the spouse of a teacher provided information technology consulting services. Total payments to this individual were \$2,000 during fiscal year 2017.

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Albuquerque Sign Language Academy and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Albuquerque Sign Language Academy paid employee and employer contributions of \$209,820 and \$205,485.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Albuquerque Sign Language Academy reported a liability of \$3,379,445 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Albuquerque Sign Language Academy's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Albuquerque Sign Language Academy's proportion was 0.04696%, which was an increase of 0.0026% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Albuquerque Sign Language Academy recognized pension expense of \$574,731. At June 30, 2017, Albuquerque Sign Language Academy reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,661	(32,143)
Changes in assumptions	68,792	-
Net difference between projected and actual earnings on pension plan investments	201,725	-
Changes in proportion and differences between Albuquerque Sign Language Academy's contributions and proportionate share of contributions	501,925	-
Albuquerque Sign Language Academy's contributions subsequent to the measurement date	209,820	-
	<hr/>	<hr/>
Total	<u>\$ 996,923</u>	<u>(32,143)</u>

The amount of \$209,820 reported as deferred outflows of resources related to pensions resulting from Albuquerque Sign Language Academy's contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 312,186
2019	264,453
2020	129,129
2021	49,192
Total	<u>\$ 754,960</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque Sign Language Academy
 Notes to the Financial Statements
 June 30, 2017

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of Albuquerque Sign Language Academy’s proportionate share of the net pension liability to changes in the discount rate. The following presents Albuquerque Sign Language Academy’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Albuquerque Sign Language Academy’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Albuquerque Sign Language Academy’s proportionate share of the net pension liability	<u>\$ 4,475,997</u>	<u>3,379,445</u>	<u>2,469,617</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Albuquerque Sign Language Academy owed \$0 to ERB for fiscal year 2017 contributions.

NOTE 7. BUDGETARY OVERAGE

Albuquerque Sign Language Academy has expended in excess of the budget in the following fund and function:

Fund 31200 Public School Capital Outlay	
Capital Outlay	\$5,256

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.05%	0.05%	0.03%
School's Proportionate Share of Net Pension Liability (Asset)	\$	3,379	2,875	1,910
School's Covered-Employee Payroll	\$	1,287	1,212	923
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		262.59%	237.21%	206.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Albuquerque Sign Language Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	2015	2016	2017
Statutory required contributions	\$ 200	205	210
Contributions in Relation to the Contractually Required Contribution	175	205	210
Annual contribution deficiency (excess)	\$ 25	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Albuquerque Sign Language Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 1,968,041	1,916,373	1,916,373	-
Miscellaneous	-	-	7,742	7,742
Total Revenues	1,968,041	1,916,373	1,924,115	7,742
EXPENDITURES				
Current:				
Instruction	1,303,580	1,333,862	919,805	414,057
Support Services:				
Students	457,831	475,064	429,400	45,664
Instruction	11,500	11,500	1,459	10,041
General Administration	33,750	31,332	12,994	18,338
School Administration	333,791	350,875	333,002	17,873
Central Services	161,970	150,224	131,707	18,517
Operation & Maintenance of Plant	111,372	87,661	52,840	34,821
Student Transportation	-	32,484	23,079	9,405
Other Support Services Operations	15,523	-	-	-
Total Expenditures	2,429,317	2,473,002	1,904,286	568,716
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(461,276)	(556,629)	19,829	576,458
Other Financing Sources (Uses):				
Designated Cash	461,276	556,629	-	(556,629)
Total Other Financing Sources (Uses):	461,276	556,629	-	(556,629)
Net Change in Fund Balance	-	-	19,829	19,829
Cash or Fund Balance - Beginning of Year	-	-	556,379	556,379
Cash or Fund Balance - End of Year	\$ -	-	576,208	576,208
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$	19,829
Adjustments to Revenues				-
Adjustments to Expenditures				-
NET CHANGE IN FUND BALANCE			\$	19,829

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 233,818	202,506	202,506	-
Total Revenues	<u>233,818</u>	<u>202,506</u>	<u>202,506</u>	<u>-</u>
EXPENDITURES				
Current:				
Student Transportation	233,818	202,506	202,506	-
Total Expenditures	<u>233,818</u>	<u>202,506</u>	<u>202,506</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			(15,676)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (15,676)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 5,360	5,176	6,022	846
Total Revenues	<u>5,360</u>	<u>5,176</u>	<u>6,022</u>	<u>846</u>
EXPENDITURES				
Current:				
Instruction	18,022	16,083	4,477	11,606
Total Expenditures	<u>18,022</u>	<u>16,083</u>	<u>4,477</u>	<u>11,606</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(12,662)</u>	<u>(10,907)</u>	<u>1,545</u>	<u>12,452</u>
Other Financing Sources (Uses):				
Designated Cash	12,662	10,907	-	(10,907)
Total Other Financing Sources (Uses):	<u>12,662</u>	<u>10,907</u>	<u>-</u>	<u>(10,907)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>1,545</u>	<u>1,545</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>10,907</u>	<u>10,907</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>12,452</u>	<u>12,452</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 1,545	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,545</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 42,000	42,000	43,083	1,083
Charges for Services	-	4,300	4,352	52
Total Revenues	42,000	46,300	47,435	1,135
EXPENDITURES				
Current:				
Food Services Operations	42,000	49,379	49,329	50
Total Expenditures	42,000	49,379	49,329	50
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(3,079)	(1,894)	1,185
Other Financing Sources (Uses):				
Designated Cash	-	3,079	-	(3,079)
Total Other Financing Sources (Uses):	-	3,079	-	(3,079)
Net Change in Fund Balance	-	-	(1,894)	(1,894)
Cash or Fund Balance - Beginning of Year	-	-	3,079	3,079
Cash or Fund Balance - End of Year	\$ -	-	1,185	1,185
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (1,894)	
Adjustments to Revenues			(845)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (2,739)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 24,928	46,019	14,555	(31,464)
Total Revenues	<u>24,928</u>	<u>46,019</u>	<u>14,555</u>	<u>(31,464)</u>
EXPENDITURES				
Current:				
Instruction	-	21,091	15,434	5,657
Support Services:				
Students	4,231	3,950	517	3,433
School Administration	19,233	19,514	19,321	193
Operation & Maintenance of Plant	1,464	1,464	-	1,464
Total Expenditures	<u>24,928</u>	<u>46,019</u>	<u>35,272</u>	<u>10,747</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(20,717)	(20,717)
Net Change in Fund Balance	-	-	(20,717)	(20,717)
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(20,717)</u>	<u>(20,717)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (20,717)	
Adjustments to Revenues			20,717	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 23,693	32,922	15,466	(17,456)
Total Revenues	23,693	32,922	15,466	(17,456)
EXPENDITURES				
Current:				
Support Services:				
Students	23,693	32,922	31,237	1,685
Total Expenditures	23,693	32,922	31,237	1,685
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(15,771)	(15,771)
Net Change in Fund Balance	-	-	(15,771)	(15,771)
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	\$ -	-	(15,771)	(15,771)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (15,771)	
Adjustments to Revenues			15,771	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I 1003G 24124
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 278,370	437,359	185,327	(252,032)
Total Revenues	<u>278,370</u>	<u>437,359</u>	<u>185,327</u>	<u>(252,032)</u>
EXPENDITURES				
Current:				
Instruction	189,797	296,286	164,291	131,995
Support Services:				
Students	33,683	55,453	34,390	21,063
Instruction	20,000	18,054	17,800	254
School Administration	16,890	21,895	16,389	5,506
Central Services	18,000	45,671	36,098	9,573
Total Expenditures	<u>278,370</u>	<u>437,359</u>	<u>268,968</u>	<u>168,391</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(83,641)	(83,641)
Net Change in Fund Balance	-	-	(83,641)	(83,641)
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(83,641)</u>	<u>(83,641)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (83,641)	
Adjustments to Revenues			83,641	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 25153
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 51,743	51,743	47,944	(3,799)
Total Revenues	51,743	51,743	47,944	(3,799)
EXPENDITURES				
Current:				
Support Services:				
Students	86,686	92,712	90,293	2,419
Total Expenditures	86,686	92,712	90,293	2,419
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(34,943)</i>	<i>(40,969)</i>	<i>(42,349)</i>	<i>(1,380)</i>
Other financing sources (uses):				
Designated Cash	34,943	40,969	-	(40,969)
Total other financing sources (uses):	34,943	40,969	-	(40,969)
Net Change in Fund Balance	-	-	(42,349)	(42,349)
Cash or Fund Balance - Beginning of Year	-	-	40,969	40,969
Cash or Fund Balance - End of Year	\$ -	-	(1,380)	(1,380)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (42,349)	
Adjustments to revenues			1,380	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (40,969)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
United Way 26218
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Contributions	\$ -	-	1,597	1,597
Total Revenues	<u>-</u>	<u>-</u>	<u>1,597</u>	<u>1,597</u>
EXPENDITURES				
Current:				
Instruction	12,463	11,507	10,514	993
Support Services:				
Students	10,418	11,709	9,942	1,767
Total Expenditures	<u>22,881</u>	<u>23,216</u>	<u>20,456</u>	<u>2,760</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(22,881)</u>	<u>(23,216)</u>	<u>(18,859)</u>	<u>4,357</u>
Other financing sources (uses):				
Designated Cash	22,881	23,216	-	(23,216)
Total other financing sources (uses):	<u>22,881</u>	<u>23,216</u>	<u>-</u>	<u>(23,216)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(18,859)</u>	<u>(18,859)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>23,216</u>	<u>23,216</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,357</u>	<u>4,357</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (18,859)	
Adjustments to Revenues			(243)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (19,102)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Reads to Lead 27114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	80,329	60,040	(20,289)
Total Revenues	<u>-</u>	<u>80,329</u>	<u>60,040</u>	<u>(20,289)</u>
EXPENDITURES				
Current:				
Instruction	-	80,329	73,322	7,007
Total Expenditures	<u>-</u>	<u>80,329</u>	<u>73,322</u>	<u>7,007</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(13,282)</u>	<u>(13,282)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(13,282)</u>	<u>(13,282)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(13,282)</u>	<u>(13,282)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (13,282)	
Adjustments to Revenues			13,282	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Breakfast for Elementary Students 27155
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	2,117	2,117	-
Total Revenues	<u>-</u>	<u>2,117</u>	<u>2,117</u>	<u>-</u>
EXPENDITURES				
Current:				
Food Services Operations	-	2,117	2,117	-
Total Expenditures	<u>-</u>	<u>2,117</u>	<u>2,117</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Contributions	\$ -	-	37,921	37,921
Miscellaneous Income	-	-	9,255	9,255
Total Revenues	-	-	47,176	47,176
EXPENDITURES				
Current:				
Instruction	10,000	10,000	1,053	8,947
Support Services:				
General Administration	11,000	25,581	25,444	137
School Administration	232,040	219,678	4,620	215,058
Total Expenditures	253,040	255,259	31,117	224,142
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(253,040)	(255,259)	16,059	271,318
Other financing sources (uses):				
Designated Cash and Investments	253,040	255,259	-	(255,259)
Total other financing sources (uses):	253,040	255,259	-	(255,259)
Net Change in Fund Balance	-	-	16,059	16,059
Cash or Fund Balance - Beginning of Year	-	-	255,259	255,259
Cash or Fund Balance - End of Year	\$ -	-	271,318	271,318
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 16,059	
Adjustments to Revenues			(3,106)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 12,953	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
McCune Foundation 29114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Contributions	\$ 25,000	25,000	20,000	(5,000)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>20,000</u>	<u>(5,000)</u>
EXPENDITURES				
Current:				
Instruction	5,000	5,000	1,218	3,782
Support Services:				
School Administration	15,000	14,695	9,945	4,750
Central Services	5,000	32,909	5,416	27,493
Total Expenditures	<u>25,000</u>	<u>52,604</u>	<u>16,579</u>	<u>36,025</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(27,604)	3,421	31,025
Other financing sources (uses):				
Designated Cash	-	27,604	-	(27,604)
Total other financing sources (uses):	<u>-</u>	<u>27,604</u>	<u>-</u>	<u>(27,604)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>3,421</u>	<u>3,421</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>27,604</u>	<u>27,604</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>31,025</u>	<u>31,025</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 3,421	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>3,898</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 7,319</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	73,625	60,475	(13,150)
Total Revenues	<u>-</u>	<u>73,625</u>	<u>60,475</u>	<u>(13,150)</u>
EXPENDITURES				
Capital Outlay	-	73,625	78,881	(5,256)
Total Expenditures	<u>-</u>	<u>73,625</u>	<u>78,881</u>	<u>(5,256)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(18,406)</u>	<u>(18,406)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(18,406)</u>	<u>(18,406)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(18,406)</u>	<u>(18,406)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (18,406)	
Adjustments to Revenues			18,406	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 60,945	60,945	58,489	(2,456)
Total Revenues	<u>60,945</u>	<u>60,945</u>	<u>58,489</u>	<u>(2,456)</u>
EXPENDITURES				
Capital Outlay	60,945	60,945	-	60,945
Total Expenditures	<u>60,945</u>	<u>60,945</u>	<u>-</u>	<u>60,945</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			<u>58,489</u>	<u>58,489</u>
Net Change in Fund Balance			<u>58,489</u>	<u>58,489</u>
Cash or Fund Balance - Beginning of Year			<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year			<u>\$ 58,489</u>	<u>58,489</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 58,489	
Adjustments to Revenues			1,211	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 59,700</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 6,139	8,470	-	(8,470)
Total Revenues	<u>6,139</u>	<u>8,470</u>	<u>-</u>	<u>(8,470)</u>
EXPENDITURES				
Capital Outlay	6,139	8,470	-	8,470
Total Expenditures	<u>6,139</u>	<u>8,470</u>	<u>-</u>	<u>8,470</u>
Other Financing Sources (Uses):				
Transfers	-	-	(42,709)	(42,709)
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>(42,709)</u>	<u>(42,709)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(42,709)</u>	<u>(42,709)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>42,709</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(42,709)</u>
Reconciliation to GAAP Basis:				
Net change in fund balance			\$ (42,709)	
Adjustments to Revenues			(433)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (43,142)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 30,541	30,541	30,760	219
Total Revenues	<u>30,541</u>	<u>30,541</u>	<u>30,760</u>	<u>219</u>
EXPENDITURES				
Capital Outlay	30,541	30,541	14,230	16,311
Total Expenditures	<u>30,541</u>	<u>30,541</u>	<u>14,230</u>	<u>16,311</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
	-	-	16,530	16,530
Other Financing Sources (Uses):				
Transfers	-	-	42,709	42,709
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>42,709</u>	<u>42,709</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>59,239</u>	<u>59,239</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>59,239</u>	<u>59,239</u>
Reconciliation to GAAP Basis:				
<i>Net Change in Fund Balance</i>			\$ 59,239	
Adjustments to Revenues			690	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 59,929</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
SunTrust Bank, Atlanta	Campbell & Kenton Cntys Ky San Rev Ref Bds	134041JF0	8/1/2031	\$ 182,988
SunTrust Bank, Atlanta	NEOSHO Cnty Kans Uni Sch Dist Go Ref Bds	640575GM2	9/1/2029	168,915
				<u>\$ 351,903</u>

Total Cash per Schedule of Cash Accounts \$ 959,166
Less: FDIC coverage: (253,487)
Uninsured Public Funds: 705,679

Collateral Requirement: 352,840
Pledged Collateral Held by Pledging Financial Institution: 351,903

Balance Over/(Under) Collateralized: \$ (937)

Balance Uninsured and Uncollateralized at June 30, 2017: \$ 353,776

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>US Bank</u>
Checking - Operational Account	\$ 955,579
Cash Equivalent Investments - Private Direct Grants	<u>3,587</u>
<i>Total on Deposit</i>	959,166
Reconciling Items	<u>(67,959)</u>
Reconciled Balance June 30, 2017	<u>891,207</u>
Less Agency Funds	<u>(25,000)</u>
<i>Total Cash</i>	<u><u>\$ 866,207</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Cash Reconciliation
June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ 297,950	32,352	10,907	3,079
Add:				
2016-17 revenues	<u>1,924,115</u>	<u>202,506</u>	<u>6,022</u>	<u>47,435</u>
Total Cash Available	2,222,065	234,858	16,929	50,514
Less:				
2016-17 expenditures	(1,904,286)	(202,506)	(4,477)	(49,329)
Receivables/Payables	67,663	661	-	-
Permanent cash transfers/reversions	-	-	-	-
Outstanding Loans	<u>(147,858)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>237,584</u>	<u>33,013</u>	<u>12,452</u>	<u>1,185</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>258,429</u>	<u>(32,352)</u>	<u>-</u>	<u>-</u>
Cash Per Books	<u>496,013</u>	<u>661</u>	<u>12,452</u>	<u>1,185</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>80,195</u>	<u>(661)</u>	<u>-</u>	<u>-</u>
Fund Balance, Modified Accrual Basis	<u>\$ 576,208</u>	<u>-</u>	<u>12,452</u>	<u>1,185</u>

Non-Instruct. Fund 23000	Federal Projects Account 24000	Federal Direct Account 25000	Local Account 26000	State Account 27000	Local or State Account 29000
15,593	-	44,257	24,000	-	219,579
<u>19,518</u>	<u>215,348</u>	<u>47,944</u>	<u>1,597</u>	<u>62,157</u>	<u>67,176</u>
35,111	215,348	92,201	25,597	62,157	286,755
(10,111)	(335,477)	(90,293)	(20,456)	(75,439)	(47,696)
-	5,336	-	419	3	-
-	-	-	-	-	-
-	<u>114,793</u>	<u>1,380</u>	-	<u>13,279</u>	-
<u>25,000</u>	-	<u>3,288</u>	<u>5,560</u>	-	<u>239,059</u>
-	-	(3,288)	(784)	-	(5,667)
<u>25,000</u>	-	-	<u>4,776</u>	-	<u>233,392</u>
(25,000)	-	-	(419)	-	68,951
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,357</u>	<u>-</u>	<u>302,343</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Cash Reconciliation (continued)
June 30, 2017

	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
Cash, June 30, 2016	\$ -	-	42,709	-	690,426
Add:					
2016-17 revenues	60,475	58,489	-	30,760	2,743,542
Total Cash Available	60,475	58,489	42,709	30,760	3,433,968
Less:					
2016-17 expenditures	(78,881)	-	-	(14,230)	(2,833,181)
Receivables/Payables	-	-	-	-	74,082
Permanent cash transfers/reversions	-	-	(43,142)	43,142	-
Outstanding Loans	18,406	-	-	-	-
Cash June 30, 2017	-	58,489	(433)	59,672	674,869
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:					(25,000)
					<u>\$ 649,869</u>
Fund Balance Reconciliations to GAAP Basis:					
Audit reclassifications to cash	-	-	433	(433)	216,338
Cash Per Books	-	58,489	-	59,239	891,207
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:					(25,000)
Balance Sheet-Foundation: sheet-Foundation: sheet-Foundation:					-
					<u>\$ 866,207</u>
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	-	1,211	-	690	124,967
Fund Balance, Modified Accrual Basis	\$ -	59,700	-	59,929	<u>1,016,174</u>

ALDO LEOPOLD HIGH SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 632,699
Receivables	
Due from Other Governments	145,096
	<hr/>
Total Current Assets	777,795
	<hr/>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	5,836
Building and Improvements	43,341
Vehicles	108,389
Less: Accumulated Depreciation	(97,900)
	<hr/>
Total Noncurrent Assets	59,666
	<hr/>

Total Assets	837,461
	<hr/>

Deferred Outflow - Pension Related	564,614
	<hr/>

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	3,110
Accrued Liabilities	210,210
Compensated Absences	32,755
	<hr/>
Total Current Liabilities	246,075
	<hr/>

Noncurrent Liabilities:

Net Pension Liability	2,499,321
	<hr/>
Total Noncurrent Liabilities	2,499,321
	<hr/>

Total Liabilities	2,745,396
	<hr/>

Deferred Inflows - Pension Related	90,584
	<hr/>

NET POSITION (DEFICIT)

Net Investment in Capital Assets	59,666
Restricted	225,155
Unrestricted (Deficit)	(1,718,726)
	<hr/>
Total Net Position (Deficit)	\$ (1,433,905)
	<hr/> <hr/>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Statement Of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Program Revenues	Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,318,450	16,698	102,433	-	(1,199,319)
Support Services:					
Students	367,851	-	130,394	-	(237,457)
Instruction	86	-	-	-	(86)
General Administration	69,138	-	-	-	(69,138)
School Administration	372,369	-	-	-	(372,369)
Central Services	127,602	-	-	-	(127,602)
Operation & Maintenance of Plant	113,223	-	-	-	(113,223)
Community Services Operations	43,713	-	-	-	(43,713)
Facilities Materials, Supplies & Other Services	89,933	-	-	66,339	(23,594)
Total Governmental Activities	\$ 2,502,365	16,698	232,827	66,339	(2,186,501)
General Revenues:					
					\$ 48,459
					1,719,569
					68,556
					<u>1,836,584</u>
					(349,917)
					<u>(1,083,988)</u>
					<u>\$ (1,433,905)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Title I IASA 24101
ASSETS			
Cash and Cash Equivalents	\$ 408,783	23,956	-
Accounts Receivable			
Due from Government	-	-	60,668
Due from Other Funds	142,885	-	-
Total Assets	551,668	23,956	60,668
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	3,110	-	-
Accrued Expenditures	209,238	-	-
Due to Other Funds	-	-	60,668
Total Liabilities	212,348	-	60,668
<i>Fund Balances</i>			
Fund Balance:			
Restricted for:			
Instruction	-	23,956	-
Capital Improvements	-	-	-
Assigned to:			
Subsequent Years Expenditures and Other Programs	339,320	-	-
Total Fund Balance	339,320	23,956	-
Total Liabilities and Fund Balances	\$ 551,668	23,956	60,668

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

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Dual Credit Instructional Materials 27103	Youth Conservation Corp 28133	Private Dir Grants (Categorical) 29102
-	-	-	503	44,021
27,437	2,211	549	54,231	-
-	-	-	-	-
<u>27,437</u>	<u>2,211</u>	<u>549</u>	<u>54,734</u>	<u>44,021</u>
-	-	-	-	-
-	-	-	503	469
27,437	-	549	54,231	-
<u>27,437</u>	<u>-</u>	<u>549</u>	<u>54,734</u>	<u>469</u>
-	2,211	-	-	43,552
-	-	-	-	-
-	-	-	-	-
-	2,211	-	-	43,552
<u>27,437</u>	<u>2,211</u>	<u>549</u>	<u>54,734</u>	<u>44,021</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Balance Sheets - Governmental Funds
June 30, 2017

	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total Government
ASSETS			
Cash and Cash Equivalents	\$ -	155,436	632,699
Accounts Receivable			
Due from Government	-	-	145,096
Due from Other Funds	-	-	142,885
Total Assets	-	155,436	920,680
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	-	-	3,110
Accrued Expenditures	-	-	210,210
Due to Other Funds	-	-	142,885
Total Liabilities	-	-	356,205
<i>Fund Balances</i>			
Fund Balance:			
Restricted for:			
Instruction	-	-	69,719
Capital Improvements	-	155,436	155,436
Assigned to:			
Subsequent Years Expenditures and Other Programs	-	-	339,320
Total Fund Balance	-	155,436	564,475
Total Liabilities and Fund Balances	\$ -	155,436	920,680

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Reconciliation of the Balance Sheets of Governmental
Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds		\$ 564,475
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Capital Assets	157,566	
Accumulated Depreciation	<u>(97,900)</u>	59,666
<p>Defined benefit pension plan deferred outflows are not financial resources and, therefore are not reported in the funds.</p>		
		564,614
<p>Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.</p>		
Net Pension Liability	(2,499,321)	
Compensated Absences	<u>(32,755)</u>	(2,532,076)
<p>Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds</p>		
		<u>(90,584)</u>
Net Position (Deficit) - Total Governmental Activities		<u>\$ (1,433,905)</u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Statement Of Revenues, Expenditures, And Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Title I IASA 24101
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	10,656	-	-
State Grant	1,719,569	9,906	-
Federal Grant	-	-	60,668
Charges for Services	16,481	-	-
Total Revenues	1,746,706	9,906	60,668
EXPENDITURES			
Current:			
Instruction	1,092,225	3,857	58,613
Support Services:			
Students	205,499	-	-
Instruction	86	-	-
General Administration	60,594	-	2,055
School Administration	326,690	-	-
Central Services	117,429	-	-
Operation & Maintenance of Plant	110,378	-	-
Community Services Operations	4,778	-	-
Capital Outlay	-	-	-
Total Expenditures	1,917,679	3,857	60,668
Net Changes in Fund Balances	(170,973)	6,049	-
Fund Balances (Deficit) - Beginning of Year	510,293	17,907	-
Fund Balances (Deficit) - End of Year	\$ 339,320	23,956	-

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

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Dual Credit Instructional Materials 27103	Youth Conservation Corp 28133	Private Dir Grants (Categorical) 29102
-	-	-	-	-
-	-	-	2,400	55,500
-	-	1,922	128,472	-
27,437	4,422	-	-	-
-	-	-	-	217
27,437	4,422	1,922	130,872	55,717
15,000	2,211	1,922	-	1,899
12,437	-	-	120,647	250
-	-	-	-	-
-	-	-	-	398
-	-	-	-	1,078
-	-	-	-	2,250
-	-	-	-	-
-	-	-	10,225	28,710
-	-	-	-	-
27,437	2,211	1,922	130,872	34,585
-	2,211	-	-	21,132
-	-	-	-	22,420
-	2,211	-	-	43,552

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Statement Of Revenues, Expenditures, And Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total Government
REVENUES			
Property Taxes	\$ -	48,459	48,459
Local & County Grant	-	-	68,556
State Grant	66,339	-	1,926,208
Federal Grant	-	-	92,527
Charges for Services	-	-	16,698
Total Revenues	66,339	48,459	2,152,448
EXPENDITURES			
Current:			
Instruction	-	-	1,175,727
Support Services:			
Students	-	-	338,833
Instruction	-	-	86
General Administration	-	-	63,047
School Administration	-	-	327,768
Central Services	-	-	119,679
Operation & Maintenance of Plant	-	-	110,378
Community Services Operations	-	-	43,713
Capital Outlay	66,339	18,393	84,732
Total Expenditures	66,339	18,393	2,263,963
Net Changes in Fund Balances	-	30,066	(111,515)
Fund Balances (Deficit) - Beginning of Year	-	125,370	675,990
Fund Balances (Deficit) - End of Year	\$ -	155,436	564,475

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2017**

Net Change in Fund Balances - Total Governmental Funds **\$ (111,515)**

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

Change in Compensated Absences (21,687)

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 capital outlay exceeds depreciation for the period

Capital Outlays	9,999	
Depreciation Expense	(15,200)	
	(5,201)	(5,201)

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability		(211,514)
		(211,514)

Change in Net Position - Total Governmental Activities **\$ (349,917)**

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Funds</u>
ASSETS	
Cash in Bank	\$ 12,304
Total Assets	<u>\$ 12,304</u>
LIABILITIES	
Deposits Held for Others	\$ 12,304
Total Liabilities	<u>\$ 12,304</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 12,673	7,696	(8,065)	12,304
Total Assets	<u>12,673</u>	<u>7,696</u>	<u>(8,065)</u>	<u>12,304</u>
LIABILITIES				
Deposits Held for Others	12,673	7,696	(8,065)	12,304
Total Liabilities	<u>\$ 12,673</u>	<u>7,696</u>	<u>(8,065)</u>	<u>12,304</u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Aldo Leopold Charter School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Aldo Leopold Charter School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Department utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, fixtures and equipment	5 years
Vehicles	10 years
Buildings and Improvements	30 years

Capital assets for the Aldo Leopold Charter School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Reclass	June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	\$ 5,836	-	-	5,836
Buildings and improvements	43,341	-	-	43,341
Vehicles	98,390	9,999	-	108,389
Total	147,567	9,999	-	157,566
Less: Accumulated Depreciation	(82,700)	(15,200)	-	(97,900)
Net Fixed Assets	\$ 64,867	(5,201)	-	59,666

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Capital Outlay	\$ 15,200
Total	\$ 15,200

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND CONTINGENCIES

The Aldo Leopold Charter School leased facilities and equipment under short-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$73,932. The school's minimum future payments on this lease are as follows.

Year Ending June 30:	
2018	\$ 73,932
2019	73,932
2020	73,932
2021	73,932
Total minimum lease payments	\$ 295,728

The school had a compensated absences balance of \$11,068 at the beginning of the fiscal year. Additions to the balance were \$21,687, which resulted in an ending balance of \$32,755. All of this balance is considered to be current.

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to the Aldo Leopold Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2017, Aldo Leopold paid employee and employer contributions of \$154,810 and \$136,223.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Aldo Leopold Charter School reported a liability of \$2,499,321 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June

30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

The Aldo Leopold Charter School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Aldo Leopold Charter School's proportion was 0.03473%, which was a decrease of 0.00142 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Aldo Leopold Charter School recognized pension expense of \$368,785. At June 30, 2017, Aldo Leopold Charter School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,843	(23,772)
Changes in assumptions	50,876	-
Net difference between projected and actual earnings on pension plan investments	149,189	-
Changes in proportion	198,896	(66,812)
Aldo Leopold Charter School contributions subsequent to the measurement date	<u>154,810</u>	<u>-</u>
Total	<u>\$ 564,614</u>	<u>(90,584)</u>

\$154,810 reported as deferred outflows of resources related to pensions resulting from Aldo Leopold Charter School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	165,023
2019		65,749
2020		52,066
2021		<u>36,382</u>
Total	\$	<u>319,220</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Aldo Leopold Charter School
 Notes to the Financial Statements
 June 30, 2017

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of Aldo Leopold Charter School's proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the (employer's) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current single discount rate.

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Aldo Leopold Charter School's proportionate share of the net pension liability	\$ 3,310,293	2,499,321	1,826,444

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, Aldo Leopold Charter School's accrued liability due to ERB was \$29,903 for payroll paid in July 2017.

NOTE 5. BUDGETARY OVERAGE

Aldo Leopold Charter School has expended in excess of the budget in the following funds and functions:

Youth Conservation Corp. (Fund 28133)	
Support Services (Function 2000)	<u>\$ 11,793</u>
	\$ 11,793

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD CHARTER HIGH SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.04%	0.04%	0.03%
School's Proportionate Share of Net Pension Liability (Asset)	\$	2,499	2,342	1,885
School's Covered-Employee Payroll	\$	991	987	911
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		252.17%	237.23%	207.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Aldo Leopold Charter High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD CHARTER HIGH SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	\$ 163	136	155
Contributions in Relation to the Contractually Required Contribution	<u>163</u>	<u>136</u>	<u>155</u>
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Aldo Leopold Charter High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	10,656	10,656
State Grant	1,774,595	1,719,569	1,719,569	-
Charges for Services	-	-	16,481	16,481
Total Revenues	1,774,595	1,719,569	1,746,706	27,137
EXPENDITURES				
Current:				
Instruction	1,136,414	1,221,414	930,516	290,898
Support Services:				
Students	193,345	247,736	205,499	42,237
Instruction	1,000	1,000	86	914
General Administration	75,040	75,040	60,594	14,446
School Administration	410,676	432,376	323,587	108,789
Central Services	90,969	90,969	117,429	(26,460)
Operation & Maintenance of Plant	186,551	131,525	110,378	21,147
Community Service Operations	-	8,300	4,778	3,522
Capital Outlay	169,391	-	-	-
Total Expenditures	2,263,386	2,208,360	1,752,867	455,493
<i>Excess(Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<i>(488,791)</i>	<i>(488,791)</i>	<i>(6,161)</i>	<i>482,630</i>
Other financing sources (uses):				
Designated Cash	488,791	488,791	-	(488,791)
Total other financing sources (uses):	488,791	488,791	-	(488,791)
Net Changes in Fund Balances	-	-	(6,161)	(6,161)
Cash or Fund Balances - Beginning of Year	-	-	510,293	510,293
Cash or Fund Balances - End of Year	\$ -	-	504,132	504,132
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (6,161)	
<i>Adjustments to Expenditures</i>			(164,812)	
NET CHANGE IN FUND BALANCE			\$ (170,973)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 7,420	7,421	9,906	2,485
Charges for Services	5	5	-	(5)
Total Revenues	<u>7,425</u>	<u>7,426</u>	<u>9,906</u>	<u>2,480</u>
EXPENDITURES				
Current:				
Instruction	24,230	24,231	3,857	20,374
Total Expenditures	<u>24,230</u>	<u>24,231</u>	<u>3,857</u>	<u>20,374</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(16,805)</u>	<u>(16,805)</u>	<u>6,049</u>	<u>22,854</u>
Other financing sources (uses):				
Designated Cash	16,805	16,805	-	(16,805)
Total other financing sources (uses):	<u>16,805</u>	<u>16,805</u>	<u>-</u>	<u>(16,805)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>6,049</u>	<u>6,049</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>17,907</u>	<u>17,907</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>23,956</u>	<u>23,956</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>			\$ 6,049	
<i>Over (Under) Expenditures</i>				
NET CHANGE IN FUND BALANCE			<u>\$ 6,049</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 22,372	60,668	9,279	(51,389)
Total Revenues	22,372	60,668	9,279	(51,389)
EXPENDITURES				
Current:				
Instruction	22,372	58,613	58,613	-
Support Services:				
General Administration	-	2,055	2,055	-
Total Expenditures	22,372	60,668	60,668	-
Net Changes in Fund Balances	-	-	(51,389)	(51,389)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(51,389)	(51,389)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ (51,389)	
Adjustments to Revenues			51,389	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 25,300	27,437	-	(27,437)
Total Revenues	25,300	27,437	-	(27,437)
EXPENDITURES				
Current:				
Instruction	15,000	15,000	15,000	-
Support Services:				
Students	10,300	12,437	12,437	-
Total Expenditures	25,300	27,437	27,437	-
Net Changes in Fund Balances	-	-	(27,437)	(27,437)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(27,437)	(27,437)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ (27,437)	
Adjustments to Revenues			27,437	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher and Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 5,475	6,224	14,348	8,124
Total Revenues	<u>5,475</u>	<u>6,224</u>	<u>14,348</u>	<u>8,124</u>
EXPENDITURES				
Current:				
Instruction	5,475	6,224	2,211	4,013
Total Expenditures	<u>5,475</u>	<u>6,224</u>	<u>2,211</u>	<u>4,013</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>12,137</u>	<u>12,137</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>12,137</u>	<u>12,137</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 12,137	
Adjustments to Revenues			(9,926)	
NET CHANGE IN FUND BALANCE			<u>\$ 2,211</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	1,922	1,798	(124)
Total Revenues	-	1,922	1,798	(124)
EXPENDITURES				
Current:				
Total Expenditures	-	-	-	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	1,922	1,798	(124)
Other financing sources (uses):				
Designated Cash	-	(1,922)	-	1,922
Total other financing sources (uses):	-	(1,922)	-	1,922
Net Changes in Fund Balances	-	-	1,798	1,798
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	1,798	1,798
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 1,798	
Adjustments to Revenues			124	
Adjustments to Expenditures			(1,922)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Youth Conservation Corp 28133
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	2,400	2,400
State Grant	-	131,969	132,535	566
Total Revenues	-	131,969	134,935	2,966
EXPENDITURES				
Current:				
Support Services:				
Students	-	108,854	120,647	(11,793)
Community Services Operations	-	23,115	10,225	12,890
Total Expenditures	-	131,969	130,872	1,097
Net Changes in Fund Balances	-	-	4,063	4,063
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	4,063	4,063
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 4,063	
Adjustments to Revenues			(4,063)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Private Dir Grants (Categorical) 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	50,000	55,500	5,500
Charges for Services	-	-	217	217
Total Revenues	-	50,000	55,717	5,717
EXPENDITURES				
Current:				
Support Services:				
General Administration	4,600	17,100	398	16,702
School Administration	900	900	1,078	(178)
Central Services	2,000	6,250	2,250	4,000
Community Services Operations	13,730	44,980	28,710	16,270
Total Expenditures	22,230	69,230	32,686	36,544
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(22,230)	(19,230)	23,031	42,261
Other financing sources (uses):				
Designated Cash	22,230	19,230	-	(19,230)
Total other financing sources (uses):	22,230	19,230	-	(19,230)
Net Changes in Fund Balances	-	-	23,031	23,031
Cash or Fund Balances - Beginning of Year	-	-	22,420	22,420
Cash or Fund Balances - End of Year	\$ -	-	45,451	45,451
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 23,031	
<i>Adjustments to Expenditures</i>			(1,899)	
NET CHANGE IN FUND BALANCE			\$ 21,132	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	66,339	-	(66,339)
<i>Total Revenues</i>	-	66,339	-	(66,339)
EXPENDITURES				
Capital Outlay	-	66,339	66,339	-
<i>Total Expenditures</i>	-	66,339	66,339	-
<i>Net Changes in Fund Balances</i>	-	-	(66,339)	(66,339)
<i>Cash or Fund Balances - Beginning of Year</i>	-	-	-	-
<i>Cash or Fund Balances - End of Year</i>	\$ -	-	(66,339)	(66,339)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (66,339)	
<i>Adjustments to Revenues</i>			66,339	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 52,430	52,430	49,715	(2,715)
Total Revenues	<u>52,430</u>	<u>52,430</u>	<u>49,715</u>	<u>(2,715)</u>
EXPENDITURES				
Capital Outlay	158,287	158,287	18,393	139,894
Total Expenditures	<u>158,287</u>	<u>158,287</u>	<u>18,393</u>	<u>139,894</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(105,857)</u>	<u>(105,857)</u>	<u>31,322</u>	<u>137,179</u>
Other financing sources (uses):				
Designated Cash	105,857	105,857	-	(105,857)
Total other financing sources (uses):	<u>105,857</u>	<u>105,857</u>	<u>-</u>	<u>(105,857)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>31,322</u>	<u>31,322</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>125,370</u>	<u>125,370</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>156,692</u>	<u>156,692</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 31,322	
<i>Adjustments to Revenues</i>			(1,256)	
NET CHANGE IN FUND BALANCE			<u>\$ 30,066</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
First American Bank	FHLB SLVR-BELEN SD #2	077581NQ5	8/1/2017	\$ 60,130
First American Bank	FHLB SLVR-Las Cruces SD	517534PX5	8/1/2019	104,917
First American Bank	FHLB ARTA-GNMA II	36225E2K7	7/20/2040	242,480
				<u>\$ 407,527</u>
Total Cash per Schedule of Cash Accounts:				656,944
Less: FDIC coverage:				(250,000)
Uninsured Public Funds:				<u>406,944</u>
Collateral Requirement:				203,472
Pledged Collateral Held by Pledging Financial Institution:				<u>407,527</u>
Balance Over Collateralized:				<u>\$ 204,055</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u><u>-</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	First American Bank
Checking - Operational Account	\$ 653,598
Checking - Agency	3,346
Total on Deposit	656,944
Reconciling Items	(11,941)
Reconciled Balance June 30, 2017	645,003
Less Agency Funds	(12,304)
Total Cash	\$ 632,699

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Aldo Leopold Charter School
Cash Reconciliation
June 30, 2017

	Operational Fund 11000	Instructional Materials Fund 14000	Federal Flowthrough Fund 24000	State Flowthrough Fund 27000
Cash, June 30, 2016	\$ 613,809	17,907	-	-
Add:				
2016-17 revenues	1,746,706	9,906	23,627	1,798
Total Cash Available	2,360,515	27,813	23,627	1,798
Less:				
2016-17 expenditures	(1,953,288)	(3,857)	(90,316)	(1,922)
Permanent Cash Transfer	-	-	-	-
Receivables/Payables	209,238	-	-	-
Outstanding Loans	(142,885)	-	88,105	549
Cash June 30, 2017	473,580	23,956	21,416	425
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassification to cash	(64,797)	-	(21,416)	(425)
Cash Per Books	408,783	23,956	-	-
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(69,463)	-	2,211	-
Fund Balance, Modified Accrual Basis	\$ 339,320	23,956	2,211	-

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

State Direct Fund 28000	Local/ State Fund 29000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total Government
-	23,634	-	124,114	-	779,464
132,535	55,717	82,938	-	49,715	2,102,942
132,535	79,351	82,938	124,114	49,715	2,882,406
(128,471)	(35,263)	(66,339)	-	(18,393)	(2,297,849)
-	-	-	(124,114)	124,114	-
503	469	-	-	-	210,210
54,231	-	-	-	-	-
58,798	44,557	16,599	-	155,436	794,767
(58,295)	(536)	(16,599)	-	-	(162,068)
503	44,021	-	-	155,436	632,699
(503)	(469)	-	-	-	(68,224)
-	43,552	-	-	155,436	564,475

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2017

VOLUME IV



**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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ALMA D'ARTE CHARTER HIGH SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 131,245
Receivables	
Due from Other Governments	30,895
Total Current Assets	<u>162,140</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	156,496
Less: Accumulated Depreciation	<u>(153,591)</u>
Total Noncurrent Assets	<u>2,905</u>

Total Assets	<u>165,045</u>
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Deferred Outflows - Pension Related	<u>416,954</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	5,126
Accrued Liabilities	<u>40,710</u>
Total Current Liabilities	<u>45,836</u>

Noncurrent Liabilities:

Net Pension Liability	<u>2,851,947</u>
Total Noncurrent Liabilities	<u>2,851,947</u>

Total Liabilities	<u>2,897,783</u>
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Deferred Inflows - Pension Related	<u>66,986</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	2,905
Restricted	42,614
Unrestricted (Deficit)	<u>(2,428,289)</u>
Total Net Position (Deficit)	<u><u>\$ (2,382,770)</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Program Revenues	Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,376,212	-	172,729	-	(1,203,483)
Support Services:					
Students	60,284	-	-	-	(60,284)
General Administration	31,860	-	-	-	(31,860)
School Administration	312,606	-	-	-	(312,606)
Central Services	149,895	-	-	-	(149,895)
Operation & Maintenance of Plant	145,976	-	-	-	(145,976)
Food Services	62,000	21,731	-	-	(40,269)
Facilities Materials, Supplies & Other Services	135,102	-	-	135,102	-
Total Governmental Activities	<u>\$ 2,273,935</u>	<u>21,731</u>	<u>172,729</u>	<u>135,102</u>	<u>(1,944,373)</u>
General Revenues:					
State Equalization Guarantee					\$ 1,832,203
Total General Revenues					<u>1,832,203</u>
Change in Net Position					(112,170)
Net Position (Deficit), Beginning					<u>(2,270,600)</u>
Net Position (Deficit), Ending					<u>\$ (2,382,770)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
ASSETS			
Cash and Cash Equivalents	\$ 117,437	3,348	8,473
Accounts Receivable			
Due from Government	-	-	22,452
Due from Other Funds	8,443	-	6,354
Total Assets	125,880	3,348	37,279
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	5,126	-	-
Accrued Expenditures	40,710	-	-
Due to Other Funds	6,354	-	-
Total Liabilities	52,190	-	-
<i>Fund Balances</i>			
Fund Balance:			
Restricted for:			
Instruction	-	3,348	-
Food Service Operations	-	-	37,279
Unassigned	73,690	-	-
Total Fund Balance	73,690	3,348	37,279
Total Liabilities and Fund Balances	\$ 125,880	3,348	37,279

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

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Spaceport Grant 26204	Dual Credit Instructional Material 27103
-	-	-	1,987	-
-	-	8,443	-	-
-	-	-	-	-
-	-	8,443	1,987	-
-	-	-	-	-
-	-	-	-	-
-	-	8,443	-	-
-	-	8,443	-	-
-	-	-	1,987	-
-	-	-	-	-
-	-	-	-	-
-	-	-	1,987	-
-	-	8,443	1,987	-

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Alma d'Arte Charter High School
 Balance Sheets - Governmental Funds
 June 30, 2017

	Public School Capital Outlay 31200	Total
ASSETS		
Cash and Cash Equivalents	\$ -	131,245
Accounts Receivable		
Due from Government	-	30,895
Due from Other Funds	-	14,797
Total Assets	-	176,937
LIABILITIES AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	-	5,126
Accrued Expenditures	-	40,710
Due to Other Funds	-	14,797
Total Liabilities	-	60,633
<i>Fund Balances</i>		
Fund Balance:		
Restricted for:		
Instruction	-	5,335
Food Service Operations	-	37,279
Unassigned	-	73,690
Total Fund Balance	-	116,304
Total Liabilities and Fund Balances	\$ -	176,937

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Reconciliation of the Balance Sheets of Governmental
Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 116,304**

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

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

Capital Assets	156,496	
Accumulated Depreciation	<u>(153,591)</u>	2,905

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds. 416,954

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds. (2,851,947)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds. (66,986)

Net Position (Deficit)-Total Governmental Activities **\$ (2,382,770)**

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Statement of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000
REVENUES			
Local & County Grant	\$ -	-	-
State Grant	1,832,203	11,715	-
Federal Grant	-	-	62,001
Charges for Services	-	-	21,731
Total Revenues	1,832,203	11,715	83,732
EXPENDITURES			
Current:			
Instruction	1,210,846	9,832	-
Support Services:			
Students	24,506	-	-
General Administration	31,860	-	-
School Administration	297,971	-	-
Central Services	141,354	-	-
Operation & Maintenance of Plant	145,560	-	-
Food Services Operations	-	-	62,000
Capital Outlay	-	-	-
Total Expenditures	1,852,097	9,832	62,000
Net Changes in Fund Balances	(19,894)	1,883	21,732
Fund Balances - Beginning of Year	93,584	1,465	15,547
Fund Balances - End of Year	\$ 73,690	3,348	37,279

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

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Spaceport Grant 26204	Dual Credit Instructional Materials 27103
-	-	-	9,840	-
-	-	-	-	550
44,402	35,778	8,443	-	-
-	-	-	-	-
44,402	35,778	8,443	9,840	550
44,402	-	8,443	17,580	550
-	35,778	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
44,402	35,778	8,443	17,580	550
-	-	-	(7,740)	-
-	-	-	9,727	-
-	-	-	1,987	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d'Arte Charter High School
Statement of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Public School Capital Outlay 31200	Total Government
	<hr/>	<hr/>
REVENUES		
Local & County Grant	\$ -	9,840
State Grant	135,102	1,979,570
Federal Grant	-	150,624
Charges for Services	-	21,731
	<hr/>	<hr/>
Total Revenues	135,102	2,161,765
	<hr/>	<hr/>
EXPENDITURES		
Current:		
Instruction	-	1,291,653
Support Services:		
Students	-	60,284
General Administration	-	31,860
School Administration	-	297,971
Central Services	-	141,354
Operation & Maintenance of Plant	-	145,560
Food Services Operations	-	62,000
Capital Outlay	135,102	135,102
	<hr/>	<hr/>
Total Expenditures	135,102	2,165,784
	<hr/>	<hr/>
Net Changes in Fund Balances	-	(4,019)
	<hr/>	<hr/>
Fund Balances - Beginning of Year	-	120,323
	<hr/>	<hr/>
Fund Balances - End of Year	\$ -	116,304
	<hr/> <hr/>	<hr/> <hr/>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (4,019)**

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

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 capital outlay exceeds depreciation for the period.

Depreciation Expense (3,802)

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability (104,349)

Change in Net Position-Total Governmental Activities **\$ (112,170)**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	Agency Funds
	<hr/>
ASSETS	
Cash in Bank	\$ 3,191
Total Assets	<hr/> 3,191 <hr/>
LIABILITIES	
Deposits Held for Others	3,191
Total Liabilities	<hr/> \$ 3,191 <hr/>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 5,777	8,792	(11,378)	3,191
Total Assets	<u>5,777</u>	<u>8,792</u>	<u>(11,378)</u>	<u>3,191</u>
LIABILITIES				
Deposits Held for Others	5,777	8,792	(11,378)	3,191
Total Liabilities	<u>\$ 5,777</u>	<u>8,792</u>	<u>(11,378)</u>	<u>3,191</u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the acquisition cost as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Alma d' Arte Charter High School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Alma d' Arte Charter High School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Alma d' Arte Charter High School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 5 years

Capital assets for the Alma d' Arte Charter School are recorded in the Statement of Net Position.

Pensions. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 156,496	-	-	156,496
<i>Total</i>	156,496	-	-	156,496
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(149,789)	(3,802)	-	(153,591)
<i>Total</i>	(149,789)	(3,802)	-	(153,591)
Capital Assets, Net	\$ 6,707	(3,802)	-	2,905

Depreciation expense for the year ended June 30, 2017 was expensed to the following function:

Instruction \$ 3,802

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND CONTINGENCIES

The Alma d' Arte Charter High School leased facilities under a long-term cancelable operating lease. Rental expenses for the year ended June 30, 2017 were \$141,856.

The following is a schedule of operating lease payments as of June 30, 2017:

Year Ending June 30:	
2018	\$ 141,856
2019	141,856
2020	141,856
2021	141,856
2022	141,856
2023 – 2027	709,280
2028 – 2032	709,280
2033	283,712
Total operating lease payments	\$ 2,411,552

NOTE 4. RELATED PARTIES

The Business Manager of the school is also the Business Manager of La Academia Dolores Huerta.

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to the Alma d' Arte Charter High School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Alma d' Arte Charter High School paid employee and employer contributions of \$154,163 and \$157,319.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Alma d' Arte Charter High School reported a liability of \$2,851,947 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

The Alma d' Arte Charter High School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Alma d' Arte Charter High School's proportion was 0.03963%, which was an increase of 0.00008 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Alma d' Arte Charter High School recognized pension expense of \$259,406. At June 30, 2017, Alma d' Arte Charter High School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,374	\$ (27,126)
Changes in assumptions	58,054	-
Net difference between projected and actual earnings on pension plan investments	170,237	-
Changes in proportion	22,126	(39,860)
Alma d' Arte Charter High School contributions subsequent to the measurement date	154,163	-
Total	\$ <u>416,954</u>	\$ <u>(66,986)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$154,163 reported as deferred outflows of resources related to pensions resulting from Alma d' Arte Charter High School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	40,383
2019		32,256
2020		81,652
2021		41,514
Total	\$	<u>195,805</u>

Sensitivity of Alma d' Arte Charter High School's proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the (employer's) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Alma d' Arte Charter High School's proportionate share of the net pension liability	\$ <u>3,777,337</u>	<u>2,851,947</u>	<u>2,084,134</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, Alma d' Arte Charter High School's accrued liability due to ERB was \$21,593 for payroll paid in July 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALMA D'ARTE CHARTER HIGH SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.04%	0.04%	0.04%
School's Proportionate Share of Net Pension Liability (Asset)	\$	2,852	2,562	2,330
School's Covered-Employee Payroll	\$	1,095	1,080	1,095
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		260.46%	237.23%	206.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Alma d'arte Charter High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALMA D'ARTE CHARTER HIGH SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	\$ 156	157	154
Contributions in Relation to the Contractually Required Contribution	<u>156</u>	<u>157</u>	<u>154</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Alma d'arte Charter High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 1,814,273	1,832,203	1,832,203	-
Charges for Services	500	500	-	(500)
Total Revenues	1,814,773	1,832,703	1,832,203	(500)
EXPENDITURES				
Current:				
Instruction	1,296,713	1,296,713	1,229,051	67,662
Support Services:				
Students	-	28,201	24,506	3,695
General Administration	33,500	33,500	31,860	1,640
School Administration	281,026	294,026	297,971	(3,945)
Central Services	147,355	142,355	141,354	1,001
Operation & Maintenance of Plant	186,179	167,908	140,434	27,474
Total Expenditures	1,944,773	1,962,703	1,865,176	97,527
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(130,000)	(130,000)	(32,973)	97,027
Other Financing Sources (Uses):				
Designated Cash	130,000	130,000	-	130,000
Total Other Financing Sources (Uses):	130,000	130,000	-	130,000
Net Changes in Fund Balances	-	-	(32,973)	227,027
Cash or Fund Balances - Beginning of Year	-	-	93,584	93,584
Cash or Fund Balances - End of Year	\$ -	-	60,611	60,611
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (32,973)	
Adjustments to Expenditures			13,079	
NET CHANGE IN FUND BALANCE			\$ (19,894)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State Grant	\$ 10,663	8,814	11,715	2,901
Total Revenues	10,663	8,814	11,715	2,901
Expenditures:				
Current:				
Instruction	11,681	9,832	9,832	-
Total Expenditures	11,681	9,832	9,832	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(1,018)	(1,018)	1,883	2,901
Other Financing Sources (Uses):				
Designated Cash	1,018	1,018	-	(1,018)
Total Other Financing Sources (Uses):	1,018	1,018	-	(1,018)
Net Changes in Fund Balances	-	-	1,883	1,883
Cash or Fund Balances - Beginning of Year	-	-	1,465	1,465
Cash or Fund Balances - End of Year	\$ -	-	3,348	3,348
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 1,883	
NET CHANGE IN FUND BALANCE			\$ 1,883	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ 49,000	49,000	49,931	931
Charges for Services	13,000	13,000	21,731	8,731
Total Revenues	62,000	62,000	71,662	9,662
Expenditures:				
Current:				
Food Services Operations	62,000	62,000	62,000	-
Total Expenditures	62,000	62,000	62,000	-
Net Changes in Fund Balances	-	-	9,662	9,662
Cash or Fund Balances - Beginning of Year	-	-	15,547	15,547
Cash or Fund Balances - End of Year	\$ -	-	25,209	25,209
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 9,662	
<i>Adjustments to Revenues</i>			12,070	
NET CHANGE IN FUND BALANCE			\$ 21,732	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ 36,768	44,402	81,187	36,785
Total Revenues	36,768	44,402	81,187	36,785
Expenditures:				
Current:				
Instruction	36,768	44,402	44,402	-
Total Expenditures	36,768	44,402	44,402	-
Net Changes in Fund Balances	-	-	36,785	36,785
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	36,785	36,785
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 36,785	
Adjustments to Revenues			(36,785)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ 35,778	35,778	76,547	40,769
Total Revenues	35,778	35,778	76,547	40,769
Expenditures:				
Current:				
Support Services:				
Students	35,778	35,778	35,778	-
Total Expenditures	35,778	35,778	35,778	-
Net Changes in Fund Balances	-	-	40,769	40,769
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	40,769	40,769
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 40,769	
Adjustments to Revenues			(40,769)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ -	17,017	-	(17,017)
Total Revenues	-	17,017	-	(17,017)
Expenditures:				
Current:				
Instruction	-	17,017	9,061	7,956
Total Expenditures	-	17,017	9,061	7,956
Net Changes in Fund Balances	-	-	(9,061)	(9,061)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(9,061)	(9,061)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (9,061)	
Adjustments to Revenues			8,443	
Adjustments to Expenditures			618	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Spaceport Grant - 26204
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Local & County Grant	\$ -	9,840	9,840	-
Total Revenues	-	9,840	9,840	-
Expenditures:				
Current:				
Instruction	7,740	17,580	17,580	-
Total Expenditures	7,740	17,580	17,580	-
Excess (deficiency) of revenues over (under) expenditures	(7,740)	(7,740)	(7,740)	-
Other financing sources (uses):				
Designated Cash	7,740	7,740	-	(7,740)
Total other financing sources (uses):	7,740	7,740	-	(7,740)
Net changes in fund balances	-	-	(7,740)	(7,740)
Cash or fund balances - beginning of year	-	-	9,727	9,727
Cash or fund balances - end of year	\$ -	-	1,987	1,987
Reconciliation to GAAP Basis:				
Excess (deficiency) of revenues over (under) expenditures			\$ (7,740)	
NET CHANGE IN FUND BALANCE			\$ (7,740)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State Grant	\$ -	860	1,100	240
Total Revenues	-	860	1,100	240
Expenditures:				
Current:				
Instruction	-	860	550	310
Total Expenditures	-	860	550	310
Net Changes in Fund Balances	-	-	550	550
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	550	550
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 550	
Adjustments to Revenues			(550)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State Grant	\$ -	135,102	170,994	35,892
Total Revenues	-	135,102	170,994	35,892
Expenditures:				
Capital Outlay	-	135,102	135,102	-
Total Expenditures	-	135,102	135,102	-
Net Changes in Fund Balances	-	-	35,892	35,892
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	35,892	35,892
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Revenues			\$ 35,892	
Adjustments to Revenues			(35,892)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Alma d' Arte Charter High School
 Schedule of Collateral Pledged by Depository for Public Funds
 June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
N/A	N/A	N/A	N/A	\$ -
Total Cash per Schedule of Cash Accounts:				147,877
Less: FDIC coverage:				(147,877)
Uninsured Public Funds:				-
Collateral Requirement:				-
Pledged Collateral Held by Pledging Financial Institution:				-
Balance Over Collateralized:				-
Balance Uninsured and Uncollateralized at June 30, 2017:				\$ -

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	Century Bank
Checking - Operational Account	\$ 135,916
Checking - Food Service	8,770
Checking - Student Activities	3,191
<i>Total on Deposit</i>	147,877
Reconciling Items	(13,441)
Reconciled Balance June 30, 2017	134,436
Less Agency Funds	(3,191)
<i>Total Cash</i>	\$ 131,245

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma d' Arte Charter High School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Agency Funds 23000
Cash, June 30, 2016	\$ 42,458	1,465	5,165	5,777
Add:				
2016-17 revenues	1,832,203	11,715	71,662	8,792
Total Cash Available	1,874,661	13,180	76,827	14,569
Less:				
2016-17 expenditures	(1,865,176)	(9,832)	(62,000)	(11,378)
Receivables/Payables	40,710	-	-	-
Outstanding Loans	(2,089)	-	(6,354)	-
Cash June 30, 2017	48,106	3,348	8,473	3,191
Fund Balance Reconciliation to GAAP Basis:				
Audit Reclassifications to Cash	69,331	-	-	-
Cash per Books	117,437	3,348	8,473	3,191
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	25,584	-	28,806	(3,191)
Fund Balance, Modified Accrual Basis	<u>\$ 73,690</u>	<u>3,348</u>	<u>37,279</u>	<u>-</u>

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

Federal Projects Account 24000	Local Grants Account 26000	State Flow Through Account 27000	Public School Capital Outlay 31200	Total
-	9,727	-	-	64,592
157,734	9,840	1,100	170,994	2,264,040
157,734	19,567	1,100	170,994	2,328,632
(89,241)	(17,580)	(550)	(135,102)	(2,190,859)
-	-	-	-	40,710
8,443	-	-	-	-
8,443	1,987	550	35,892	109,990
(8,443)	-	(550)	(35,892)	24,446
-	1,987	-	-	134,436
			Less: Agency Fund:	(3,191)
				<u>\$ 131,245</u>
(8,443)	-	(550)	(35,892)	6,314
-	1,987	-	-	<u>116,304</u>

AMY BIEHL CHARTER HIGH SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,645,091
Receivables	
Due from Other Governments	126,550
Other	43,763
	<hr/>
Total Current Assets	1,815,404

Noncurrent Assets:

Capital Assets	
Building and Improvements	4,053,278
Furniture, Fixtures, and Equipment	235,325
Less: Accumulated Depreciation	(1,444,212)
Restricted Cash	13,609
	<hr/>
Total Noncurrent Assets	2,858,000
	<hr/>
Total Assets	4,673,404

Deferred Outflows - Pension Related	1,169,687
	<hr/>

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	10,680
Accrued Liabilities	2,586
	<hr/>
Total Current Liabilities	13,266

Noncurrent Liabilities:

Net Pension Liability	5,434,747
	<hr/>
Total Noncurrent Liabilities	5,434,747
	<hr/>
Total Liabilities	5,448,013

Deferred Inflows - Pension Related	55,822
	<hr/>

NET POSITION

Investment in Capital Assets	2,844,391
Restricted	1,409,819
Unrestricted (Deficit)	(3,914,954)
	<hr/>
Total Net Position	\$ 339,256
	<hr/>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,976,131	20,736	276,761	-	(1,678,634)
Support Services:					
Students	979,611	-	-	-	(979,611)
Instruction	77,075	-	-	-	(77,075)
General Administration	115,200	-	-	-	(115,200)
School Administration	288,243	-	-	-	(288,243)
Central Services	205,148	-	-	-	(205,148)
Operation & Maintenance of Plant	328,887	-	-	-	(328,887)
Operation of Non-Instructional Services	-	-	-	-	-
Community Services Operations	-	-	-	-	-
Other Support Services	200,931	-	-	-	(200,931)
Student Transportation	3,600	-	-	-	(3,600)
Food Services	48,404	5,344	22,625	-	(20,435)
Facilities Materials, Supplies & Other Services	463,778	-	-	260,633	(203,145)
Total Governmental Activities	\$ 4,687,008	26,080	299,386	260,633	(4,100,909)
General Revenues:					
Property Taxes					\$ 299,217
State Equalization Guarantee					3,194,735
Miscellaneous					407,310
Total General Revenues					<u>3,901,262</u>
Change in Net Position					(199,647)
Net Position, Beginning of Year					<u>538,903</u>
Net Position, Ending					<u>\$ 339,256</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 418,403	22,299	-	-
Restricted Cash	-	-	-	-
Accounts Receivable				
Due from Government	2,261	-	-	8,109
Due from Other Funds	117,579	-	-	-
Other	-	-	-	-
Total Assets	\$ 538,243	22,299	-	8,109
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 6,435	-	-	-
Accrued Expenditures	-	-	-	-
Due to Other Funds	-	-	-	8,109
Total Liabilities	6,435	-	-	8,109
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	22,299	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	531,808	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	531,808	22,299	-	-
Total Liabilities and Fund Balances	\$ 538,243	22,299	-	8,109

IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Amy Biehl High School Foundation 26187
-	-	-	-
-	-	-	-
13,307	19,880	-	-
-	-	-	-
-	-	-	-
<u>13,307</u>	<u>19,880</u>	<u>-</u>	<u>-</u>
-	-	-	53
-	-	-	-
<u>13,307</u>	<u>19,880</u>	<u>-</u>	<u>-</u>
<u>13,307</u>	<u>19,880</u>	<u>-</u>	<u>53</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	(53)
-	-	-	(53)
<u>13,307</u>	<u>19,880</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Dual Credit Instructional Materials 27103	College Counselor Initiative 27189	Public School Capital Outlay 31200	Special Capital Outlay State 31400
ASSETS				
Cash and Cash Equivalents	\$ -	-	-	-
Restricted Cash	-	-	-	-
Accounts Receivable				
Due from Government	-	-	55,863	20,420
Due from Other Funds	-	-	-	-
Other	-	-	-	-
Total Assets	\$ -	-	55,863	20,420
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	-	-	-
Accrued Expenditures	-	-	-	-
Due to Other Funds	-	-	55,863	20,420
Total Liabilities	-	-	55,863	20,420
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	-	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	-	-	-	-
Total Liabilities and Fund Balances	\$ -	-	55,863	20,420

HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements		Total
		Local 31701	Foundation	
695,047	-	154,240	355,102	1,645,091
-	-		13,609	13,609
4,495	-	2,215	-	126,550
-	-	-	-	117,579
-	-	-	43,763	43,763
<u>699,542</u>	<u>-</u>	<u>156,455</u>	<u>412,474</u>	<u>1,946,592</u>
263	-	22	3,907	10,680
-	-	-	2,586	2,586
-	-	-	-	117,579
<u>263</u>	<u>-</u>	<u>22</u>	<u>6,493</u>	<u>130,845</u>
-	-	-	-	22,299
699,279	-	156,433	-	855,712
-	-	-	-	531,808
-	-	-	405,981	405,928
<u>699,279</u>	<u>-</u>	<u>156,433</u>	<u>405,981</u>	<u>1,815,747</u>
<u>699,542</u>	<u>-</u>	<u>156,455</u>	<u>412,474</u>	<u>1,946,592</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds		\$ 1,815,747
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital Assets	4,288,603	
Accumulated Depreciation	<u>(1,444,212)</u>	
		2,844,391
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		
		1,169,687
The net pension liability is not due in the current period and, therefore, is not reported in the funds.		
		(5,434,747)
Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		
		<u>(55,822)</u>
Net Position-Total Governmental Activities		<u><u>\$ 339,256</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	16,338	82	-	-
State Grant	3,194,735	18,656	-	-
Federal Grant	-	-	22,625	70,933
Charges for Services	20,736	-	5,344	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>3,231,809</u>	<u>18,738</u>	<u>27,969</u>	<u>70,933</u>
EXPENDITURES				
Current:				
Instruction	1,616,913	12,189	-	70,933
Support Services:				
Students	827,006	-	-	-
Instruction	71,207	-	-	-
General Administration	104,283	-	-	-
School Administration	262,358	-	-	-
Central Services	188,659	-	-	-
Operation & Maintenance of Plant	321,825	-	-	-
Student Transportation	3,600	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	20,265	-	27,969	-
Community Services Operation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>3,416,116</u>	<u>12,189</u>	<u>27,969</u>	<u>70,933</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(184,307)</u>	<u>6,549</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(184,307)</u>	<u>6,549</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>716,115</u>	<u>15,750</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 531,808</u>	<u>22,299</u>	<u>-</u>	<u>-</u>

IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Amy Biehl High School Foundation 26187
-	-	-	-
-	-	-	65,429
-	-	-	-
51,042	19,880	9,447	-
-	-	-	-
-	-	-	-
<u>51,042</u>	<u>19,880</u>	<u>9,447</u>	<u>65,429</u>
39,300	-	7,689	37,728
11,742	19,880	1,758	27,584
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	170
-	-	-	-
-	-	-	-
-	-	-	-
<u>51,042</u>	<u>19,880</u>	<u>9,447</u>	<u>65,482</u>
-	-	-	(53)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	(53)
-	-	-	-
-	-	-	(53)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances - Continued
Governmental Funds
For The Year Ended June 30, 2017

	Dual Credit Instructional Materials 27103	College Counselor Initiative 27189	Public School Capital Outlay 31200	Special Capital Outlay State 31400
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	4,704	20,250	223,451	20,420
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>4,704</u>	<u>20,250</u>	<u>223,451</u>	<u>20,420</u>
EXPENDITURES				
Current:				
Instruction	4,704	11,678	-	-
Support Services:				
Students	-	8,572	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	-	-
Community Services Operation	-	-	-	-
Capital Outlay	-	-	223,451	20,420
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>4,704</u>	<u>20,250</u>	<u>223,451</u>	<u>20,420</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Foundation	Total
200,401	-	98,816	-	299,217
-	-	-	-	81,849
-	16,762	-	-	3,498,978
-	-	-	-	173,927
-	-	-	-	26,080
-	-	-	407,310	407,310
<u>200,401</u>	<u>16,762</u>	<u>98,816</u>	<u>407,310</u>	<u>4,487,361</u>
-	-	-	-	1,801,134
-	-	-	-	896,542
-	-	-	-	71,207
2,006	-	1,002	-	107,291
-	-	-	-	262,358
-	-	-	-	188,659
-	-	-	-	321,825
-	-	-	-	3,600
-	-	-	200,115	200,115
-	-	-	-	48,404
-	-	-	-	-
57,075	16,762	34,518	-	352,226
-	-	-	-	-
-	-	-	-	-
<u>59,081</u>	<u>16,762</u>	<u>35,520</u>	<u>200,115</u>	<u>4,253,361</u>
<u>141,320</u>	<u>-</u>	<u>63,296</u>	<u>207,195</u>	<u>234,000</u>
-	-	93,137	-	93,137
-	(93,137)	-	-	(93,137)
-	(93,137)	93,137	-	-
<u>141,320</u>	<u>(93,137)</u>	<u>156,433</u>	<u>207,195</u>	<u>234,000</u>
<u>557,959</u>	<u>93,137</u>	<u>-</u>	<u>198,786</u>	<u>1,581,747</u>
<u>699,279</u>	<u>-</u>	<u>156,433</u>	<u>405,981</u>	<u>1,815,747</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds \$ 234,000

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

Capital outlays to purchase or build capital assets are reported in

Capital Outlays	7,081	
Depreciation Expense	(119,449)	
	(112,368)	(112,368)

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability		(321,279)
		(321,279)

Change in Net Position-Total Governmental Activities \$ (199,647)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 16,166</u>
Total Assets	<u><u>\$ 16,166</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 16,166</u>
Total Liabilities	<u><u>\$ 16,166</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 14,302	11,799	(9,935)	16,166
Total Assets	<u>\$ 14,302</u>	<u>11,799</u>	<u>(9,935)</u>	<u>16,166</u>
 LIABILITIES				
Deposits Held for Others	\$ 14,302	11,799	(9,935)	16,166
Total Liabilities	<u>\$ 14,302</u>	<u>11,799</u>	<u>(9,935)</u>	<u>16,166</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Amy Biehl Charter High School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Amy Biehl Charter High School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Amy Biehl Charter High School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for the Amy Biehl Charter High School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
Capital Assets being Depreciated:				
Building and Improvements	\$ 4,053,278	-	-	4,053,278
Furniture, Fixtures and Equipment	228,244	7,081	-	235,325
Total	<u>4,281,522</u>	<u>7,081</u>	<u>-</u>	<u>4,288,603</u>
Less: Accumulated Depreciation				
Building and Improvements	(1,152,795)	(101,883)	-	(1,254,678)
Furniture, Fixtures and Equipment	(171,968)	(17,566)	-	(189,534)
Total	<u>(1,324,763)</u>	<u>(119,449)</u>	<u>-</u>	<u>(1,444,212)</u>
Capital Assets, Net	<u>\$ 2,956,759</u>	<u>(112,368)</u>	<u>-</u>	<u>2,844,391</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Facilities, Materials, Supplies & Other Services	\$ 119,449
Total	\$ 119,449

NOTE 3. COMMITMENTS AND LIABILITIES

The Amy Biehl Charter High School leased equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$267,669, which included \$231,980 for facility rental and \$35,689 for various equipment rentals. The amount for future facilities rental is dependent on the amount awarded by the New Mexico Public School Capital Outlay Council (PSCOC). An estimate for future PSCOC awards is currently unavailable. Amy Biehl Charter High School's minimum future payments on equipment leases are as follows:

Year Ending June 30:		
2018	\$	34,197
2019		25,140
2020		25,140
2021		25,140
2022		25,140
Total	\$	134,757

NOTE 4. RELATED PARTY TRANSACTIONS

The Amy Biehl Charter High School created a Foundation to purchase a school building. The Foundation is considered a component unit of the Amy Biehl Charter High School and is presented as a blended component unit.

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Amy Biehl Charter High School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Amy Biehl Charter High School paid employee and employer contributions of \$316,206 and \$299,787.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2016, Amy Biehl Charter High School reported a liability of \$5,434,747 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Amy Biehl Charter High School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Amy Biehl Charter High School's proportion was 0.07552%, which was an increase of 0.00711% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Amy Biehl Charter High School recognized pension expense of \$639,038. As of June 30, 2017, Amy Biehl Charter High School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,578	(51,691)
Changes in assumptions	110,630	-
Net difference between projected and actual earnings on pension plan investments	324,409	-
Changes in proportion and differences between Amy Biehl Charter High School’s contributions and proportionate share of contributions	394,864	(4,131)
Amy Biehl Charter High School’s contributions subsequent to the measurement date	<u>316,206</u>	<u>-</u>
Total	\$ <u>1,169,687</u>	<u>(55,822)</u>

The amount of \$316,206 reported as deferred outflows of resources related to pensions resulting from Amy Biehl Charter High School’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 226,996
2019	244,953
2020	246,598
2021	<u>79,112</u>
Total	<u>\$ 797,659</u>

Sensitivity of Amy Biehl Charter High School’s proportionate share of the net pension liability to changes in the discount rate. The following presents Amy Biehl Charter High School’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Amy Biehl Charter High 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:

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 AMY BIEHL CHARTER HIGH SCHOOL
 Notes to the Financial Statements
 June 30, 2017

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Amy Biehl Charter High School's proportionate share of the net pension liability	\$ <u>7,198,196</u>	<u>5,434,747</u>	<u>3,971,582</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. Amy Biehl Charter High School accrued \$0 in ERB benefits at June 30, 2017 for teachers with ten month contracts.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.07%	0.07%	0.07%
School's Proportionate Share of Net Pension Liability (Asset)	\$	5,435	4,431	3,792
School's Covered-Employee Payroll	\$	2,275	1,868	1,832
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		238.90%	237.23%	207.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Amy Biehl Charter High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter School
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	\$ 308	300	316
Contributions in Relation to the Contractually	270	300	316
Annual contribution deficiency (excess)	<u>\$ 38</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Amy Biehl Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Local & County Grant	\$ 18,083	19,683	14,158	(5,525)
State Grant	3,302,593	3,194,736	3,194,735	(1)
Federal Grant	-	-	-	-
Charges for Services	18,350	18,350	20,736	2,386
Total Revenues	3,339,026	3,232,769	3,229,629	(3,140)
EXPENDITURES				
Current:				
Instruction	1,988,253	1,938,556	1,616,036	322,520
Support Services:				
Students	903,065	897,755	831,445	66,310
Instruction	110,400	101,006	70,186	30,820
General Administration	135,358	125,510	104,435	21,075
School Administration	334,756	325,736	262,762	62,974
Central Services	212,640	202,640	187,785	14,855
Operation & Maintenance of Plant	336,503	330,146	319,878	10,268
Student Transportation	7,000	7,000	3,600	3,400
Other Support Services Operations	-	-	-	-
Food Services Operations	17,000	27,164	20,265	6,899
Total Expenditures	4,044,975	3,955,513	3,416,392	539,121
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(705,949)	(722,744)	(186,763)	535,981
Other Financing Sources (Uses):				
Designated Cash	705,949	722,744	-	(722,744)
Total Other Financing Sources (Uses):	705,949	722,744	-	(722,744)
Net Changes in Fund Balances	-	-	(186,763)	(186,763)
Cash or Fund Balances - Beginning of Year	-	-	722,744	722,744
Cash or Fund Balances - End of Year	\$ -	-	535,981	535,981
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (186,763)	
Adjustments to Revenues			2,180	
Adjustments to Expenditures			276	
NET CHANGE IN FUND BALANCE			\$ (184,307)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	82	82
State Grant	17,586	14,038	18,656	4,618
Total Revenues	17,586	14,038	18,738	4,700
EXPENDITURES				
Current:				
Instruction	38,378	29,788	12,189	17,599
Total Expenditures	38,378	29,788	12,189	17,599
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(20,792)	(15,750)	6,549	22,299
Other Financing Sources (Uses):				
Designated Cash	15,750	15,750	-	15,750
Total Other Financing Sources (Uses):	15,750	15,750	-	15,750
Net Changes in Fund Balances	(5,042)	-	6,549	38,049
Cash or Fund Balances - Beginning of Year	15,750	15,750	15,750	-
Cash or Fund Balances - End of Year	\$ 10,708	15,750	22,299	6,549
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 6,549	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 6,549	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 28,000	28,000	22,625	(5,375)
Charges for Services	6,400	6,400	5,344	(1,056)
Total Revenues	34,400	34,400	27,969	(6,431)
EXPENDITURES				
Current:				
Food Services Operations	34,400	34,400	27,969	6,431
Total Expenditures	34,400	34,400	27,969	6,431
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 58,608	70,933	68,308	(2,625)
Total Revenues	<u>58,608</u>	<u>70,933</u>	<u>68,308</u>	<u>(2,625)</u>
EXPENDITURES				
Current:				
Instruction	58,608	70,933	70,933	-
Total Expenditures	<u>58,608</u>	<u>70,933</u>	<u>70,933</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	(2,625)	(2,625)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,625)</u>	<u>(2,625)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(5,484)</u>	<u>(5,484)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(8,109)</u>	<u>(8,109)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (2,625)	
Adjustments to Revenues			2,625	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 45,723	57,465	39,441	(18,024)
Total Revenues	<u>45,723</u>	<u>57,465</u>	<u>39,441</u>	<u>(18,024)</u>
EXPENDITURES				
Current:				
Instruction	45,723	45,723	39,300	6,423
Support Services:				
Students	-	11,742	11,742	-
Total Expenditures	<u>45,723</u>	<u>57,465</u>	<u>51,042</u>	<u>6,423</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	(11,601)	(11,601)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(11,601)</u>	<u>(11,601)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,706)</u>	<u>(1,706)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(13,307)</u>	<u>(13,307)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (11,601)	
Adjustments to Revenues			11,601	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	19,880	6,757	(13,123)
Total Revenues	-	19,880	6,757	(13,123)
EXPENDITURES				
Support Services:				
Students	-	19,880	19,880	-
Total Expenditures	-	19,880	19,880	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	(13,123)	(13,123)
Net Changes in Fund Balances	-	-	(13,123)	(13,123)
Cash or Fund Balances - Beginning of Year	-	-	(6,757)	(6,757)
Cash or Fund Balances - End of Year	\$ -	-	(19,880)	(19,880)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (13,123)	
Adjustments to Revenues			13,123	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Federal Grant	\$ 10,953	19,634	11,981	(7,653)
Total Revenues	<u>10,953</u>	<u>19,634</u>	<u>11,981</u>	<u>(7,653)</u>
EXPENDITURES				
Current:				
Instruction	6,000	12,681	7,689	4,992
Support Services:				
Students	3,000	6,800	1,758	5,042
School Administration	1,953	153	-	153
Total expenditures	<u>10,953</u>	<u>19,634</u>	<u>9,447</u>	<u>10,187</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	2,534	2,534
Net changes in Fund Balances	-	-	2,534	2,534
Cash or Fund Balances - Beginning of Year	-	-	(2,534)	(2,534)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 2,534	
Adjustments to Revenues			(2,534)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Amy Biehl High School Foundation 26187
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	84,700	65,429	(19,271)
Total Revenues	-	84,700	65,429	(19,271)
EXPENDITURES				
Current:				
Instruction	-	54,600	37,728	16,872
Support Services:				
Students	-	29,600	27,584	2,016
Food Services Operations	-	500	117	383
Total Expenditures	-	84,700	65,429	19,271
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			(53)	
NET CHANGE IN FUND BALANCE			\$ (53)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	4,704	4,704	-
Total Revenues	-	4,704	4,704	-
EXPENDITURES				
Current:				
Instruction	-	4,704	4,704	-
Total Expenditures	-	4,704	4,704	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
College Counselor Initiative 27189
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 29,500	29,500	20,250	(9,250)
Total Revenues	<u>29,500</u>	<u>29,500</u>	<u>20,250</u>	<u>(9,250)</u>
EXPENDITURES				
Current:				
Instruction	26,500	14,500	11,678	2,822
Support Services:				
Students	<u>3,000</u>	<u>15,000</u>	<u>8,572</u>	<u>6,428</u>
Total Expenditures	<u>29,500</u>	<u>29,500</u>	<u>20,250</u>	<u>9,250</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	223,453	222,163	(1,290)
Total Revenues	<u>-</u>	<u>223,453</u>	<u>222,163</u>	<u>(1,290)</u>
EXPENDITURES				
Capital Outlay	-	223,453	223,451	2
Total Expenditures	<u>-</u>	<u>223,453</u>	<u>223,451</u>	<u>2</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,288)</u>	<u>(1,288)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(54,575)</u>	<u>(54,575)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(55,863)</u>	<u>(55,863)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (1,288)	
Adjustments to Revenues			<u>1,288</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay State 31400
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 31,771	126,021	1,520	(124,501)
Total Revenues	<u>31,771</u>	<u>126,021</u>	<u>1,520</u>	<u>(124,501)</u>
EXPENDITURES				
Capital Outlay	31,771	126,021	20,420	105,601
Total Expenditures	<u>31,771</u>	<u>126,021</u>	<u>20,420</u>	<u>105,601</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(18,900)</u>	<u>(18,900)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,520)</u>	<u>(1,520)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(20,420)</u>	<u>(20,420)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (18,900)	
Adjustments to Revenues			18,900	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Property Taxes	\$ 195,025	195,025	199,000	3,975
Total Revenues	<u>195,025</u>	<u>195,025</u>	<u>199,000</u>	<u>3,975</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	2,128	2,125	1,990	135
Capital Outlay	748,927	747,794	56,857	690,937
Total Expenditures	<u>751,055</u>	<u>749,919</u>	<u>58,847</u>	<u>691,072</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(556,030)</u>	<u>(554,894)</u>	<u>140,153</u>	<u>695,047</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	556,030	554,894	-	(554,894)
Total other financing sources (uses):	<u>556,030</u>	<u>554,894</u>	<u>-</u>	<u>(554,894)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>140,153</u>	<u>140,153</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>554,894</u>	<u>554,894</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>695,047</u>	<u>695,047</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 140,153	
Adjustments to Revenues			1,401	
Adjustments to Expenditures			(234)	
NET CHANGE IN FUND BALANCE			<u>\$ 141,320</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES:				
State Grant	\$ 19,772	27,006	16,762	(10,244)
Total Revenues	<u>19,772</u>	<u>27,006</u>	<u>16,762</u>	<u>(10,244)</u>
EXPENDITURES:				
Current:				
Capital outlay	19,772	27,006	16,762	10,244
Total Expenditures	<u>19,772</u>	<u>27,006</u>	<u>16,762</u>	<u>10,244</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	(93,137)	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>(93,137)</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(93,137)</u>	<u>(93,137)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>93,137</u>	<u>93,137</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (93,137)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 97,773	97,773	98,047	274
Total Revenues	97,773	97,773	98,047	274
EXPENDITURES				
Current:				
Support Services:				
General Administration	1,199	1,199	980	219
Capital Outlay	194,000	188,265	34,518	153,747
Total Expenditures	195,199	189,464	35,498	153,966
Excess (Deficiency) of Revenues Over (Under) Expenditures	(97,426)	(91,691)	62,549	154,240
Designated cash	97,426	91,691	-	(91,691)
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	91,691	91,691
Total other financing sources (uses)	-	-	91,691	91,691
Net changes in fund balances			154,240	154,240
Cash or Fund Balances - Beginning of Year		-	-	-
Cash or Fund Balances - End of Year	\$ -	-	154,240	154,240
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 154,240	
Adjustments to Revenues			2,215	
Adjustments to Expenditures			(22)	
NET CHANGE IN FUND BALANCE (GAAP Basis)			\$ 156,433	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

				Fair Value
<u>Name of Depository</u>	<u>Security Type</u>	<u>LOC #</u>	<u>Maturity Date</u>	<u>June 30, 2017</u>
Southwest Capital Bank	Letter of Credit	4305000002	1/25/2018	\$ 550,000
				<u>\$ 550,000</u>
			Total Cash per Schedule of Cash Accounts:	\$ 1,743,133
			Less: FDIC coverage:	(750,000)
			Uninsured Public Funds:	<u>993,133</u>
			Collateral Requirement:	496,567
			Pledged Collateral Held by Pledging Financial Institution:	<u>550,000</u>
			Balance Over Collateralized:	<u>\$ 53,433</u>
			Balance Uninsured and Uncollateralized at June 30, 2017:	<u>\$ -</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	Southwest		New Mexico	Total
	Capital Bank	US Bank	Bank & Trust	
Checking - Operational Account	\$ 1,143,366	-	-	1,143,366
Checking - Operational Account	-	-	228,324	228,324
Checking - Activity Account	16,166	-	-	16,166
Checking - Foundation	-	289,994	-	289,994
Money Market - Foundation	-	28,355	-	28,355
Money Market - Foundation	-	11,779	-	11,779
CD - Foundation	-	-	25,149	25,149
Total on Deposit	1,159,532	330,128	253,473	1,743,133
Reconciling Items	(81,701)	(175)	-	(81,876)
Reconciled Balance June 30, 2017	<u>\$ 1,077,831</u>	<u>329,953</u>	<u>253,473</u>	<u>1,661,257</u>
Less Agency Funds				<u>(16,166)</u>
Cash and Cash Equivalents				<u>1,645,091</u>
Restricted Cash				<u>13,609</u>
Total Cash				<u>\$ 1,658,700</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ 650,169	15,750	-
Add:			
2016-17 revenues	3,229,629	18,739	27,970
Total Cash Available	3,879,798	34,489	27,970
Less:			
2016-17 expenditures	(3,416,392)	(12,190)	(27,970)
Receivables/Payables	-	-	-
Outstanding Loans	(117,579)	-	-
Cash June 30, 2017	345,827	22,299	-
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	72,576	-	-
Cash Per Books	418,403	22,299	-
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	113,405	-	-
Fund Balance, Modified Accrual Basis	\$ 531,808	22,299	-

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

Non-Instruct. Fund 23000	Federal Projects Account 24000	Local Grant Funds 26000	State Account 27000	Public School Capital Outlay 31200	Special Capital Outlay State 31400
14,302	-	-	-	-	-
11,799	126,486	65,429	24,954	222,164	1,520
26,101	126,486	65,429	24,954	222,164	1,520
(9,935)	(151,300)	(65,429)	(24,954)	(223,453)	(20,420)
-	-	-	-	-	-
-	41,296	-	-	55,863	20,420
16,166	16,482	-	-	54,574	1,520
-	(16,482)	-	-	(54,574)	(1,520)
16,166	-	-	-	-	-
-	-	(53)	-	-	-
16,166	-	(53)	-	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Cash Reconciliation
June 30, 2017

	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
Cash, June 30, 2016	\$ 554,895	-	91,691	1,326,807
Add:				
2016-17 revenues	199,000	16,762	98,047	4,042,499
Total Cash Available	753,895	16,762	189,738	5,369,306
Less:				
2016-17 expenditures	(58,848)	(16,762)	(35,498)	(4,063,151)
Receivables/Payables	-	-	-	-
Outstanding Loans	-	-	-	-
Cash June 30, 2017	695,047	-	154,240	1,306,155
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	-	-	-	-
Cash Per Books	695,047	-	154,240	1,306,155
			Less: Agency Fund:	(16,166)
			Balance Sheet-Foundation:	355,102
			Plus Foundation Restricted Held by ACF:	13,609
				<u>\$ 1,658,700</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	4,232	-	2,193	119,777
Fund Balance, Modified Accrual Basis	\$ 699,279	-	156,433	1,425,932
			Less: Agency Fund:	(16,166)
			Add: Foundation:	405,981
			Balance Sheets - Governmental Funds:	<u>\$ 1,815,747</u>

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

ANTHONY CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 187,874
Receivables	
Due from Other Governments	29,478
	<hr/>
Total Current Assets	217,352
	<hr/>

Noncurrent Assets:

Capital Assets	
Building and Improvements	752,608
Furniture, Fixtures, and Equipment	32,921
Less: Accumulated Depreciation	(134,465)
	<hr/>
Total Noncurrent Assets	651,064
	<hr/>

Total Assets	868,416
	<hr/>

Deferred Outflows - Pension Related	162,202
	<hr/>

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	1,716
Accrued Liabilities	82,759
	<hr/>
Total Current Liabilities	84,475
	<hr/>

Noncurrent Liabilities:

Net Pension Liability	947,051
	<hr/>
Total Noncurrent Liabilities	947,051
	<hr/>

Total Liabilities	1,031,526
	<hr/>

Deferred Inflows - Pension Related	86,649
	<hr/>

NET POSITION (DEFICIT)

Investment in Capital Assets	651,064
Restricted	34,961
Unrestricted(Deficit)	(773,582)
	<hr/>
Total Net Position (Deficit)	\$ (87,557)
	<hr/> <hr/>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Program Revenues	Net (Expense) Revenues and Changes in Net Position
		Charges For Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 449,544	-	84,976	-	(364,568)
Support Services:					
Students	48,812	-	-	-	(48,812)
Instruction	3,085	-	-	-	(3,085)
General Administration	23,940	-	-	-	(23,940)
School Administration	282,365	-	-	-	(282,365)
Central Services	90,547	-	-	-	(90,547)
Operation & Maintenance of Plant	212,258	-	-	-	(212,258)
Food Services	70,809	-	46,046	-	(24,763)
Facilities Materials, Supplies & Other Services	46,504	-	-	60,000	13,496
Total Governmental Activities	\$ 1,227,864	-	131,022	60,000	(1,036,842)
General Revenues:					
					\$ 10,032
					1,008,497
					1,018,529
					(18,313)
					(69,244)
					\$ (87,557)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
ASSETS			
<i>Assets</i>			
Cash and Cash Equivalents	\$ 163,570	853	-
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	17,859	-	-
Total Assets	181,429	853	-
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 1,716	-	-
Accrued Expenditures	81,521	-	-
Due to Other Funds	-	-	276
Total Liabilities	83,237	-	276
<i>Fund Balances</i>			
Fund Balance:			
Restricted for:			
Instruction	-	853	-
Capital Improvements	-	-	-
Assigned To:			
Subsequent Years Expenditures and Other Programs	98,192	-	-
Unassigned	-	-	(276)
Total Fund Balance	98,192	853	(276)
<i>Total Liabilities and Fund Balances</i>	\$ 181,429	853	-

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Medicaid 3 - 21 Years 25153	Spaceport Grant 26204
-	-	-	160	11,051
5,234	4,211	-	-	10,501
-	-	-	-	-
<u>5,234</u>	<u>4,211</u>	<u>-</u>	<u>160</u>	<u>21,552</u>
-	-	-	-	-
1,238	-	-	-	-
3,996	4,211	-	-	-
<u>5,234</u>	<u>4,211</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	160	21,552
-	-	-	-	-
-	-	-	-	-
-	-	-	160	21,552
<u>5,234</u>	<u>4,211</u>	<u>-</u>	<u>160</u>	<u>21,552</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Balance Sheets - Governmental Funds
June 30, 2017

	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total Government
ASSETS			
<i>Assets</i>			
Cash and Cash Equivalents	\$ 12,240	-	187,874
Accounts Receivable			
Due from Government	-	9,532	29,478
Due from Other Funds	-	-	17,859
Total Assets	12,240	9,532	235,211
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ -	-	1,716
Accrued Expenditures	-	-	82,759
Due to Other Funds	-	9,376	17,859
Total Liabilities	-	9,376	102,334
<i>Fund Balances</i>			
Fund Balance:			
Restricted for:			
Instruction	-	-	22,565
Capital Improvements	12,240	156	12,396
Assigned To:			
Subsequent Years Expenditures and Other Programs	-	-	98,192
Unassigned	-	-	(276)
Total Fund Balance	12,240	156	132,877
<i>Total Liabilities and Fund Balances</i>	\$ 12,240	9,532	235,211

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Reconciliation of the Balance Sheets of Governmental
Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 132,877**

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

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

Capital assets	785,529	
Accumulated depreciation	(134,465)	
		651,064

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds. 162,202

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Net Pension Liability	(947,051)	
		(947,051)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds. (86,649)

Net Position (Deficit)-Total Governmental Activities **\$ (87,557)**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Statement Of Revenues, Expenditures, And Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	225	-	-
State Grant	1,008,497	6,136	-
Federal Grant	-	-	46,046
Total Revenues	1,008,722	6,136	46,046
EXPENDITURES			
Current:			
Instruction	441,589	12,627	-
Support Services:			
Students	10,967	-	-
Instruction	3,085	-	-
General Administration	23,940	-	-
School Administration	297,268	-	-
Central Services	90,547	-	-
Operation & Maintenance of Plant	161,050	-	-
Food Services Operations	21,606	-	48,046
Capital outlay	-	-	-
Total expenditures	1,050,052	12,627	48,046
Net changes in fund balances	(41,330)	(6,491)	(2,000)
Fund Balances (Deficit) - Beginning of Year	139,522	7,344	1,724
Fund Balances (Deficit) - End of Year	\$ 98,192	853	(276)

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Medicaid 3 - 21 Years 25153	Spaceport Grant 26204
-	-	-	-	-
-	-	-	-	12,654
-	-	-	-	-
42,432	16,036	7,493	-	-
<u>42,432</u>	<u>16,036</u>	<u>7,493</u>	<u>-</u>	<u>12,654</u>
-	16,036	4,540	-	1,280
42,432	-	-	-	-
-	-	-	-	-
-	-	2,953	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>42,432</u>	<u>16,036</u>	<u>7,493</u>	<u>-</u>	<u>1,280</u>
-	-	-	-	11,374
-	-	-	160	10,178
-	-	-	160	21,552

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Statement Of Revenues, Expenditures, And Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total Government
REVENUES			
Property Taxes	\$ -	10,032	10,032
Local & County Grant	-	-	12,879
State Grant	49,335	10,665	1,074,633
Federal Grant	-	-	112,007
Total Revenues	49,335	20,697	1,209,551
EXPENDITURES			
Current:			
Instruction	-	-	476,072
Support Services:			
Students	-	-	53,399
Instruction	-	-	3,085
General Administration	-	-	23,940
School Administration	-	-	300,221
Central Services	-	-	90,547
Operation & Maintenance of Plant	49,335	-	210,385
Food Services Operations	-	-	69,652
Capital outlay	-	10,665	10,665
Total expenditures	49,335	10,665	1,237,966
Net changes in fund balances	-	10,032	(28,415)
Fund Balances (Deficit) - Beginning of Year	12,240	(9,876)	161,292
Fund Balances - End of Year	\$ 12,240	156	132,877

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (28,415)**

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

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 capital outlay
exceeds depreciation for the period

Depreciation expense	(40,240)	(40,240)
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Changes in deferred outflows of resources - pension related,
deferred inflows of resources - pension related, and the net
pension liability

	50,342	
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Change in Net Position-Total Governmental Activities	\$ (18,313)	
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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Funds</u>
ASSETS	
Cash in Bank	\$ 7,232
Total Assets	<u>7,232</u>
LIABILITIES	
Deposits Held for Others	<u>7,232</u>
Total Liabilities	<u>\$ 7,232</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 890	19,099	(12,757)	7,232
Total assets	<u>890</u>	<u>19,099</u>	<u>(12,757)</u>	<u>7,232</u>
LIABILITIES				
Deposits Held for Others	890	19,099	(12,757)	7,232
Total liabilities	<u>\$ 890</u>	<u>19,099</u>	<u>(12,757)</u>	<u>7,232</u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at their acquisition cost as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Anthony Charter School’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Anthony Charter School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Anthony Charter School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for the Anthony Charter School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 32,921	-	-	32,921
Buildings and Improvements	752,608	-	-	752,608
<i>Total</i>	<u>785,529</u>	<u>-</u>	<u>-</u>	<u>785,529</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(20,817)	(2,609)	-	(23,426)
Buildings and Improvements	(73,408)	(37,631)	-	(111,039)
<i>Total</i>	<u>(94,225)</u>	<u>(40,240)</u>	<u>-</u>	<u>(134,465)</u>
Capital Assets, Net	<u>\$ 691,304</u>	<u>(40,240)</u>	<u>-</u>	<u>651,064</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Operation and Maintenance of Plant	\$	3,244
Food Services		1,157
Facilities, Materials, Supplies		35,839
Total	\$	<u>40,240</u>

NOTE 3. COMMITMENTS AND LIABILITIES

The Anthony Charter School leased land under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017, was \$39,432. The school's minimum future payments on this lease are as follows:

Year Ending June 30:		
2018	\$	39,432
2019		39,432
2020		39,432
Total lease payments	\$	<u>118,296</u>

NOTE 4. RELATED PARTY TRANSACTIONS

The business manager services are performed by an outside manager, which performed services for multiple state charter schools.

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to the Anthony Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Anthony Charter School paid employee and employer contributions of \$75,697 and \$52,029.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Anthony Charter School reported a liability of \$947,051 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

The Anthony Charter School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Anthony Charter School's proportion was 0.01316%, which was an increase of 0.00014 from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

For the year ended June 30, 2017, Anthony Charter School recognized pension expense of \$25,862. At June 30, 2017, Anthony Charter School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actuarial experience	\$ 4,109	(9,007)
Changes in assumptions	19,278	-
Net difference between projected and actual earnings on pension plan investments	56,531	-
Changes in proportion	6,587	(77,642)
Anthony Charter School contributions subsequent to the measurement date	75,697	-
Total	<u>\$ 162,202</u>	<u>(86,649)</u>

The amount of \$75,697 reported as deferred outflows of resources related to pensions resulting from Anthony Charter School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	(41,223)
2019		(1,304)
2020		28,598
2021		13,785
Total	<u>\$</u>	<u>(144)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of Anthony Charter School's proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the (employer's) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Anthony Charter School's proportionate share of the net pension liability	\$ 1,254,347	947,051	692,082

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, Anthony Charter School's accrued liability due to ERB was \$19,349 for payroll paid in July 2017.

NOTE 6. DEFICIT FUND BALANCES

Anthony Charter School had a deficit fund balance of \$276 in the Food Services Fund. The Charter School anticipates having surplus operations in FY 2018 to eliminate this deficit.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ANTHONY CHARTER SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.01%	0.01%	0.01%
School's Proportionate Share of Net Pension Liability (Asset)	\$	947	843	821
School's Covered-Employee Payroll	\$	361	355	397
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.33%	237.23%	206.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Anthony Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ANTHONY CHARTER SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	\$ 59	52	75
Contributions in Relation to the Contractually Required Contribution	<u>59</u>	<u>52</u>	<u>75</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Anthony Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	225	225	-
State Grant	835,893	1,008,497	1,008,497	-
Total Revenues	835,893	1,008,722	1,008,722	-
EXPENDITURES				
Current:				
Instruction	464,347	485,522	441,589	43,933
Support Services:				
Students	11,285	16,841	10,967	5,874
Instruction	4,460	3,460	3,085	375
General Administration	44,300	28,143	23,940	4,203
School Administration	265,755	312,948	296,793	16,155
Central Services	84,400	91,711	90,547	1,164
Operation & Maintenance of Plant	90,475	170,690	160,448	10,242
Food Services Operations	10,800	32,770	21,606	11,164
Total Expenditures	975,822	1,142,085	1,048,975	93,110
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<i>(139,929)</i>	<i>(133,363)</i>	<i>(40,253)</i>	<i>93,110</i>
Other Financing Sources (Uses):				
Designated Cash	139,929	133,363	-	(133,363)
Total Other Financing Sources (Uses):	139,929	133,363	-	(133,363)
Net Changes in Fund Balances	-	-	(40,253)	(40,253)
Cash or Fund Balances - Beginning of Year	-	-	139,522	139,522
Cash or Fund Balances - End of Year	\$ -	-	99,269	99,269
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (40,253)	
Adjustments to Expenditures			(1,077)	
NET CHANGE IN FUND BALANCE			\$ (41,330)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 4,256	5,283	6,136	853
Total Revenues	<u>4,256</u>	<u>5,283</u>	<u>6,136</u>	<u>853</u>
EXPENDITURES				
Current:				
Instruction	11,855	12,627	12,627	-
Total Expenditures	<u>11,855</u>	<u>12,627</u>	<u>12,627</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(7,599)</u>	<u>(7,344)</u>	<u>(6,491)</u>	<u>853</u>
Other Financing Sources (Uses):				
Designated Cash	7,599	7,344	-	(7,344)
Total Other Financing Sources (Uses):	<u>7,599</u>	<u>7,344</u>	<u>-</u>	<u>(7,344)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,491)</u>	<u>(6,491)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>7,344</u>	<u>7,344</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>853</u>	<u>853</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (6,491)	
NET CHANGE IN FUND BALANCE			<u>\$ (6,491)</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 29,000	46,969	46,046	(923)
Total Revenues	29,000	46,969	46,046	(923)
EXPENDITURES				
Current:				
Food Services Operations	29,000	48,693	48,046	647
Total Expenditures	29,000	48,693	48,046	647
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(1,724)	(2,000)	(276)
Other Financing Sources (Uses):				
Designated Cash	-	1,724	-	(1,724)
Total Other Financing Sources (Uses):	-	1,724	-	(1,724)
Net Changes in Fund Balances	-	-	(2,000)	(2,000)
Cash or Fund Balances - Beginning of Year	-	-	1,724	1,724
Cash or Fund Balances - End of Year	\$ -	-	(276)	(276)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (2,000)	
NET CHANGE IN FUND BALANCE			\$ (2,000)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 31,390	88,049	37,198	(50,851)
Total Revenues	<u>31,390</u>	<u>88,049</u>	<u>37,198</u>	<u>(50,851)</u>
EXPENDITURES				
Current:				
Instruction	-	43,641	-	43,641
Support Services:				
Students	31,390	44,408	-	44,408
Total Expenditures	<u>31,390</u>	<u>88,049</u>	<u>-</u>	<u>88,049</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>37,198</u>	<u>37,198</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>37,198</u>	<u>37,198</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 37,198	
Adjustments to Revenues			5,234	
Adjustments to Expenditures			<u>(42,432)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 11,825	16,036	11,825	(4,211)
Total Revenues	11,825	16,036	11,825	(4,211)
EXPENDITURES				
Current:				
Instruction	11,825	16,036	16,036	-
Total Expenditures	11,825	16,036	16,036	-
Net Changes in Fund Balances	-	-	(4,211)	(4,211)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(4,211)	(4,211)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (4,211)	
<i>Adjustments to Revenues</i>			4,211	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 3,717	14,418	7,493	(6,925)
Total Revenues	3,717	14,418	7,493	(6,925)
EXPENDITURES				
Current:				
Instruction	3,717	7,653	4,540	3,113
Support Services:				
School Administration	-	6,765	2,953	3,812
Total Expenditures	3,717	14,418	7,493	6,925
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Spaceport Grant - 26204
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	7,744	7,744	-
Total Revenues	-	7,744	7,744	-
EXPENDITURES				
Current:				
Instruction	4,586	12,332	1,280	11,052
Total Expenditures	4,586	12,332	1,280	11,052
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(4,586)	(4,588)	6,464	11,052
Other Financing Sources (Uses):				
Designated Cash	4,586	4,588	-	(4,588)
Total Other Financing Sources (Uses):	4,586	4,588	-	(4,588)
Net Changes in Fund Balances	-	-	6,464	6,464
Cash or Fund Balances - Beginning of Year	-	-	10,178	10,178
Cash or Fund Balances - End of Year	\$ -	-	16,642	16,642
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 6,464	
Adjustments to Revenues			4,910	
NET CHANGE IN FUND BALANCE			\$ 11,374	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	49,335	49,335	-
Total Revenues	-	49,335	49,335	-
EXPENDITURES				
Current:				
Operation & Maintenance of Plant	-	49,335	49,335	-
Total Expenditures	-	49,335	49,335	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	12,240	12,240
Cash or Fund Balances - End of Year	\$ -	-	12,240	12,240
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 10,360	10,360	12,143	1,783
State Grant	13,288	30,579	1,133	(29,446)
Total Revenues	23,648	40,939	13,276	(27,663)
EXPENDITURES				
Current:				
Capital Outlay	27,702	41,065	10,665	30,400
Total Expenditures	27,702	41,065	10,665	30,400
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(4,054)	(126)	2,611	2,737
Other Financing Sources (Uses):				
Designated Cash	4,054	126	-	(126)
Total Other Financing Sources (Uses):	4,054	126	-	(126)
Net Changes in Fund Balances	-	-	2,611	2,611
Cash or Fund Balances - Beginning of Year	-	-	(9,876)	(9,876)
Cash or Fund Balances - End of Year	\$ -	-	(7,265)	(7,265)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 2,611	
Adjustments to Revenues			7,421	
NET CHANGE IN FUND BALANCE			\$ 10,032	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30,2017</u>
N/A	N/A	N/A	N/A	\$ -
Total Cash per Schedule of Cash Accounts:				195,616
Less: FDIC coverage:				(195,616)
Uninsured Public Funds:				-
Collateral Requirement:				-
Pledged Collateral Held by Pledging Financial Institution:				-
Balance Over Collateralized:				-
Balance Uninsured and Uncollateralized at June 30, 2017:				\$ -

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	Wells Fargo Bank
Checking - Operational Account	\$ 195,616
Total on Deposit	195,616
Reconciling Items	(510)
Reconciled Balance June 30, 2017	195,106
Less Agency Funds	(7,232)
Total Cash	\$ 187,874

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ 164,948	7,344	1,724
Add:			
2016-17 revenues	1,008,722	6,136	46,046
Total Cash Available	1,173,670	13,480	47,770
Less:			
2016-17 expenditures	(1,048,975)	(12,627)	(48,046)
Receivables/Payables	81,521	-	-
Outstanding Loans	(17,859)	-	276
Cash June 30, 2017	188,357	853	-
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	(24,787)	-	-
Cash Per Books	163,570	853	-
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	(65,378)	-	(276)
Fund Balance , Modified Accrual Basis	<u>\$ 98,192</u>	<u>853</u>	<u>(276)</u>

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

Federal Flowthrough 24000	Federal Direct 25000	State Flowthrough 26000	Public School Capital Outlay 31200
-	160	4,587	-
56,515	-	7,744	49,335
56,515	160	12,331	49,335
(65,960)	-	(1,280)	(49,335)
1,238	-	-	-
8,207	-	-	-
-	160	11,051	-
-	-	-	12,240
-	160	11,051	12,240
-	-	10,501	-
-	160	21,552	12,240

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Cash Reconciliation
June 30, 2017**

	SB-9 Capital Improvements 31700	Total Government
Cash, June 30, 2016	\$ -	178,763
Add:		
2016-17 revenues	13,276	1,187,774
Total Cash Available	13,276	1,366,537
Less:		
2016-17 expenditures	(10,665)	(1,236,888)
Receivables/Payables	-	82,759
Outstanding Loans	9,376	-
Cash June 30, 2017	11,987	212,408
Fund Balance Reconciliations to GAAP Basis:		
Audit reclassifications to cash	(11,987)	(24,534)
Cash Per Books	-	187,874
Fund Balance Reconciliation to GAAP Basis:		
Modified Accrual Adjustments	156	(54,997)
Fund Balance , Modified Accrual Basis	\$ 156	132,877

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

ASK ACADEMY

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 424,309
Receivables	
Due from Other Governments	12,195
Total Current Assets	<u>436,504</u>

Noncurrent Assets:

Capital Assets	
Land	647,989
Building and Improvements	4,871,470
Furniture, Fixtures, and Equipment	189,428
Less: Accumulated Depreciation	<u>(309,057)</u>
Total Capital Assets	5,399,830

Restricted Cash	751,157
Total Noncurrent Assets	<u>6,150,987</u>

Total Assets	<u>6,587,491</u>
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Deferred Outflows - Pension Related	<u>1,401,390</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	12,553
Accrued Liabilities	213,114
Current Portion of Long-Term Debt	<u>86,884</u>
Total Current Liabilities	<u>312,551</u>

Noncurrent Liabilities:

Long-Term Debt	6,295,890
Net Pension Liability	<u>3,978,908</u>
Total Noncurrent Liabilities	<u>10,274,798</u>

Total Liabilities	<u>10,587,349</u>
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Deferred Inflows - Pension Related	<u>37,844</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	(982,944)
Restricted	32,286
Unrestricted (Deficit)	<u>(1,685,654)</u>
Total Net Position (Deficit)	<u>\$ (2,636,312)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,954,988	11,440	117,932	-	(1,825,616)
Support Services:					
Students	460,731	-	-	-	(460,731)
Instruction	8,526	-	-	-	(8,526)
General Administration	45,720	-	-	-	(45,720)
School Administration	532,068	-	-	-	(532,068)
Central Services	142,919	-	-	-	(142,919)
Operation & Maintenance of Plant	387,160	-	-	-	(387,160)
Other Support Services	48,064	-	-	-	(48,064)
Facilities Materials, Supplies & Other					
Services	961,464	-	-	314,930	(646,534)
Debt	391,425	-	-	-	(391,425)
Total Governmental Activities	\$ 4,933,065	11,440	117,932	314,930	(4,488,763)
General Revenues:					
					\$ 58,416
					3,187,833
					576,273
					<u>3,822,522</u>
					Change in Net Position
					(666,241)
					Net Position (Deficit)- Beginning
					<u>(1,970,071)</u>
					Net Position (Deficit), Ending
					<u>\$ (2,636,312)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Title I 24101	IDEA-B Entitlement 24106	Charter Schools 24146	Teacher Principal Training 24154	CNM Foundation 26207	Credit Instructional Materials 27103
ASSETS								
Cash and Cash Equivalents	\$ 392,021	8,405	-	-	2,834	-	376	-
Restricted Cash	-	-	-	-	-	-	-	-
Accounts Receivable								
Due from Governments	-	-	-	12,195	-	-	-	-
Due from Other Funds	12,195	-	-	-	-	-	-	-
Total Assets	\$ 404,216	8,405	-	12,195	2,834	-	376	-
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 12,553	-	-	-	-	-	-	-
Accrued Expenditures	213,112	-	-	-	-	-	2	-
Due to Other Funds	-	-	-	12,195	-	-	-	-
Total Liabilities	225,665	-	-	12,195	-	-	2	-
Fund Balances								
Fund Balance:								
Restricted for:								
Instruction	-	8,405	-	-	2,834	-	374	-
Capital Improvements	-	-	-	-	-	-	-	-
Unassigned	178,551	-	-	-	-	-	-	-
Total Fund Balance	178,551	8,405	-	-	2,834	-	374	-
Total Liabilities and Fund Balances	\$ 404,216	8,405	-	12,195	2,834	-	376	-

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Hard to Staff Teacher Initiative 27195	ASBMB Grant 29102	Public School Capital Outlay 31200	Special Capital Outlay State 31400	SB-9 Capital Improvements 31701	Foundation	Total
ASSETS							
Cash and Cash Equivalents	\$ -	-	-	-	20,673	-	424,309
Restricted Cash	-	-	-	-	-	751,157	751,157
Accounts Receivable	-	-	-	-	-	-	-
Due from Government	-	-	-	-	-	-	12,195
Due from Other Funds	-	-	-	-	-	-	12,195
Total Assets	\$ -	-	-	-	20,673	751,157	1,199,856
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ -	-	-	-	-	-	12,553
Accrued Expenditures	-	-	-	-	-	-	213,114
Due to Other Funds	-	-	-	-	-	-	12,195
Total Liabilities	-	-	-	-	-	-	237,862
Fund Balances							
Fund Balance:							
Restricted for:							
Instruction	-	-	-	-	-	-	11,613
Capital Improvements	-	-	-	-	20,673	-	20,673
Unassigned	-	-	-	-	-	751,157	929,708
Total Fund Balance	-	-	-	-	20,673	751,157	961,994
Total Liabilities and Fund Balances	\$ -	-	-	-	20,673	751,157	1,199,856

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 961,994**

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

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

Capital Assets	5,708,887	
Accumulated Depreciation	<u>(309,057)</u>	
		5,399,830

Defined benefit pension plan deferred outflows are not financial resources and, therefore, and not reported in the funds		1,401,390
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Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Long-Term Debt	(6,382,774)	
Net Pension Liability	<u>(3,978,908)</u>	
		(10,361,682)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds

		<u>(37,844)</u>
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Net Position (Deficit)-Total Governmental Activities **\$ (2,636,312)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Title I 24101	IDEA-B Entitlement 24106	Charter Schools 24146	Teacher Principal Training 24154	CNM Foundation 26207	Credit Instructional Materials 27103
REVENUES								
Property Taxes	\$ -	-	-	-	-	-	-	-
State Grant	3,187,833	28,945	-	-	-	-	-	1,218
Federal Grant	-	-	20,669	46,152	-	5,760	-	-
Charges for Services	11,440	-	-	-	-	-	-	-
Miscellaneous Income	3,139	-	-	-	-	-	1,000	-
Total Revenues	3,202,412	28,945	20,669	46,152	-	5,760	1,000	1,218
EXPENDITURES								
Current:								
Instruction	1,888,430	20,764	20,669	-	-	5,460	1,882	1,218
Support Services:								
Students	335,593	-	-	46,152	-	-	-	-
Instruction	8,526	-	-	-	-	-	-	-
General Administration	45,720	-	-	-	-	-	-	-
School Administration	380,130	-	-	-	-	300	-	-
Central Services	142,919	-	-	-	-	-	-	-
Operation & Maintenance of Plant	379,106	-	-	-	-	-	-	-
Other Support Services Operations	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	3,180,424	20,764	20,669	46,152	-	5,760	1,882	1,218
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>21,988</u>	<u>8,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(882)</u>	<u>-</u>
Net Changes in Fund Balances	21,988	8,181	-	-	-	-	(882)	-
Fund Balances (Deficit) - Beginning of Year	156,563	224	-	-	2,834	-	1,256	-
Fund Balances - End of Year	\$ 178,551	8,405	-	-	2,834	-	374	-

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - Continued
Governmental Funds
For The Year Ended June 30, 2017

	Hard to Staff Teacher Initiative 27195	ASBMB Grant 29102	Public School Capital Outlay 31200	Special Capital Outlay State 31400	SB-9 Capital Improvements 31701	Foundation	Total
REVENUES							
Property Taxes	\$ -	-	-	-	58,416	-	58,416
State Grant	15,188	-	266,154	48,776	-	-	3,548,114
Federal Grant	-	-	-	-	-	-	72,581
Charges for Services	-	-	-	-	-	-	11,440
Miscellaneous Income	-	-	-	-	-	572,134	576,273
Total Revenues	15,188	-	266,154	48,776	58,416	572,134	4,266,824
EXPENDITURES							
Current:							
Instruction	15,188	1,377	-	-	-	-	1,954,988
Support Services:							
Students	-	-	-	-	-	-	381,745
Instruction	-	-	-	-	-	-	8,526
General Administration	-	-	-	-	-	-	45,720
School Administration	-	-	-	-	-	-	380,430
Central Services	-	-	-	-	-	-	142,919
Operation & Maintenance of Plant	-	-	-	-	-	-	379,106
Other Support Services Operations	-	-	-	-	-	48,064	48,064
Capital Outlay	-	-	266,154	48,776	130,696	7,060	452,686
Debt service							
Principal	-	-	-	-	-	90,000	90,000
Interest	-	-	-	-	-	391,425	391,425
Total Expenditures	15,188	1,377	266,154	48,776	130,696	536,549	4,275,609
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(1,377)	-	-	(72,280)	35,585	(8,785)
Net Changes in Fund Balances	-	(1,377)	-	-	(72,280)	35,585	(8,785)
Fund Balances (Deficit) - Beginning of Year	-	1,377	-	-	92,953	715,572	970,779
Fund Balances - End of Year	-	-	-	-	20,673	751,157	961,994

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (8,785)**

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

Change in net pension liability and related pension accounts (537,150)

Expenditures to purchase or build capital assets, pay for interest on debt, and
amortization on long term 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 capital outlay exceeds depreciation for the period

Principal payments	90,000	
Depreciation Expense	<u>(202,190)</u>	(112,190)

The issuance of long-term debt (e.g., bonds, notes, leases) provide 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.

Amortization of Bond Discount		<u>(8,116)</u>
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Change in Net Position-Total Governmental Activities **\$ (666,241)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Agency</u>
ASSETS	
Cash in Bank	<u>\$ 11,465</u>
Total Assets	<u><u>\$ 11,465</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 11,465</u>
Total Liabilities	<u><u>\$ 11,465</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 3,247	26,043	(17,825)	11,465
Total Assets	<u>\$ 3,247</u>	<u>26,043</u>	<u>(17,825)</u>	<u>11,465</u>
 LIABILITIES				
Deposits Held for Others	\$ 3,247	26,043	(17,825)	11,465
Total Liabilities	<u>\$ 3,247</u>	<u>26,043</u>	<u>(17,825)</u>	<u>11,465</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The ASK Academy's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The ASK Academy (ASK) does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. ASK utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5-10 years
Land and Land Improvements	15 years
Buildings and Improvements	5-40 years

Capital assets for ASK are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
<i>Capital Assets not being Depreciated</i>				
Land	\$ 647,989	-	-	647,989
Construction in Progress	-	-	-	-
<i>Total</i>	<u>647,989</u>	<u>-</u>	<u>-</u>	<u>647,989</u>
<i>Capital Assets being Depreciated:</i>				
Building and Improvements	4,871,470	-	-	4,871,470
Furniture, Fixtures and Equipment	189,428	-	-	189,428
<i>Total</i>	<u>5,060,898</u>	<u>-</u>	<u>-</u>	<u>5,060,898</u>
<i>Less: Accumulated Depreciation</i>				
Building and Improvements	(80,657)	(165,588)		(246,244)
Furniture, Fixtures and Equipment	(26,210)	(36,602)	-	(62,813)
<i>Total</i>	<u>(106,867)</u>	<u>(202,190)</u>	<u>-</u>	<u>(309,057)</u>
Capital Assets, Net	<u>\$ 5,602,020</u>	<u>(202,190)</u>	<u>-</u>	<u>5,399,830</u>

Depreciation expensed for the year ended June 30, 2017 was expensed to the following functions:

Facilities, Materials, Supplies & Other Services	\$ 165,588
School Administration	<u>36,602</u>
Total	<u>\$ 202,190</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

ASK Academy leases buildings from the Ask Academy Education Foundation under a long term lease purchase agreement. Rental expense for the year ended June 30, 2017 was \$534,903. ASK's minimum future payments on these leases are as follows:

Year Ending June 30:	
2018	\$ 534,903
2019	534,903
2020	534,903
2021	534,903
2022	534,903
2023-2027	2,674,515
2028-2032	2,674,515
2033-2037	2,674,515
2038-2042	2,674,515
2043-2047	1,827,591
Total minimum lease payments	<u>\$ 15,200,166</u>

During the year ended June 30, 2017, the following changes occurred in the liabilities reported in the government-wide financial statement of net position:

	Balance			Balance	Due Within
	June 30, 2016	Additions	Deletions	June 30, 2017	One Year
Bonds Payable	\$ 6,700,000	-	(90,000)	6,610,000	95,000
Discount	(235,343)	-	8,116	(227,228)	(8,116)
	<u>\$ 6,464,657</u>	<u>-</u>	<u>(81,885)</u>	<u>6,382,772</u>	<u>86,884</u>

Principal expense for the year ended June 30, 2017 was \$90,000.

Revenue Bonds are secured by pledges of certain revenues and assets. On February 12, 2015, The ASK Academy, pursuant to a lease purchase agreement with The ASK Academy Foundation, Inc. and indenture of trust, issued its Educational Facility Revenue Bonds Series 2015 in the aggregate principal amount of \$6,360,000 and \$340,000 Taxable Educational Facility Revenue Bonds Series 2015. Bond proceeds were used to purchase land and construct a charter school facility that houses classrooms from seventh through twelfth grade. ASK pledges, transfers, and grants a security interest in and assigns to Wells Fargo Bank, N.A. to secure the payment of lease payments in accordance with the terms and provisions of the lease, all funds, monies, grants, or other distributions received by the School from the State of New Mexico with respect to Equalization Guarantee funding, State Leasing or account established by ASK, but specifically excluding State funding under the Charter School Act which is specifically dedicated to the payment of expenses of the Charter School which do not include payment of amounts due under the Lease and all such operating expenses of ASK required under State or federal laws to provide required educational program expenditures.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES (Continued)

The total bond payable as of June 30, 2017 is as follows:

Series 2015 Education Facility Revenue Bond; Interest rate 5.25% due in quarterly installments; Maturing February 1, 2025	\$	670,000
Series 2015 Education Facility Revenue Bond; Interest rate 5.75% due in quarterly installments; Maturing February 1, 2035		1,880,000
Series 2015 Education Facility Revenue Bond; Interest rate 6.00% due in quarterly installments; Maturing February 1, 2045		3,810,000
Series 2015 Taxable Education Facility Revenue Bond; Interest rate 5.75% due in quarterly installments; Maturing February 1, 2020		<u>250,000</u>
Total Bond Payable	\$	<u><u>6,610,000</u></u>

The aggregate amounts of principal maturities and interest of bonds payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 95,000	386,250	481,250
2019	100,000	380,788	480,788
2020	105,000	375,038	480,038
2021	110,000	369,250	479,250
2022	120,000	363,475	483,475
2023-2027	690,000	1,716,638	2,406,638
2028-2032	900,000	1,499,500	2,399,500
2033-2037	1,195,000	1,207,638	2,402,638
2038-2042	1,605,000	807,300	2,412,300
2043-2047	1,690,000	234,300	1,924,300
Total	<u>\$ 6,610,000</u>	<u>7,340,175</u>	<u>13,950,175</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 4. RELATED PARTY TRANSACTIONS

The ASK Academy has created a Foundation which donates various funds to the school and entered revenue bonds to construct a building for the school. The Foundation is considered a component unit of the School and is presented as a blended component unit.

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to The ASK Academy and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, The ASK Academy paid employee and employer contributions of \$257,409 and \$219,497.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, The ASK Academy reported a liability of \$3,978,908 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016

The ASK Academy's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, The ASK Academy's proportion was 0.05529%, which was an increase of 0.00803% from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

For the year ended June 30, 2017, The ASK Academy recognized pension expense of \$795,700. As of June 30, 2017, The ASK Academy reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,261	(37,844)
Changes in assumptions	80,995	-
Net difference between projected and actual earnings on pension plan investments	237,508	-
Changes in proportion and differences between The ASK Academy's contributions and proportionate share of contributions	808,217	-
The ASK Academy's contributions subsequent to the measurement date	257,409	-
Total	<u>\$ 1,401,390</u>	<u>(37,844)</u>

The amount of \$257,409 reported as deferred outflows of resources related to pensions resulting from The ASK Academy's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	476,948
2019	353,786
2020	217,484
2021	57,919
Total	<u>\$ 1,106,137</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 The ASK Academy
 Notes to the Financial Statements
 June 30, 2017

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Sensitivity of The ASK Academy's proportionate share of the net pension liability to changes in the discount rate. The following presents The ASK Academy proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the ASK Academy'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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
The ASK Academy's proportionate share of the net pension liability	\$ 5,269,971	3,978,908	2,907,690

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. The ASK Academy accrued \$66,536 in ERB benefits at June 30, 2017 for teachers with ten month contracts.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of the Schools' Proportionate Share of the Net Pension Liability
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.09%	0.05%	0.04%
School's Proportionate Share of Net Pension Liability (Asset)	\$	3,979	3,061	2,128
School's Covered-Employee Payroll	\$	1,852	1,290	1,028
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		214.85%	237.23%	207.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for The ASK Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of School Contributions
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	2015	2016	2017
Statutory required contributions	\$ 135	187	257
Contributions in Relation to the Contractually Required Contribution	135	213	257
Annual contribution deficiency (excess)	\$ -	(26)	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for The ASK Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	3,187,833	3,187,833
Federal Grant	-	-	-	-
Charges for Services	-	-	11,440	11,440
Miscellaneous Income	-	-	3,139	3,139
Total Revenues	-	-	3,202,412	3,202,412
EXPENDITURES				
Current:				
Instruction	2,064,003	2,064,003	1,885,602	178,401
Support Services:				
Students	399,485	399,485	335,543	63,942
Instruction	10,000	10,000	8,526	1,474
General Administration	37,000	37,000	45,720	(8,720)
School Administration	385,780	385,780	380,130	5,650
Central Services	139,800	139,800	138,093	1,707
Operation & Maintenance of Plant	398,095	398,095	376,263	21,832
Capital Outlay	-	-	-	-
Total Expenditures	3,434,163	3,434,163	3,169,877	264,286
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(3,434,163)	(3,434,163)	32,535	3,466,698
Net Changes in Fund Balances	(3,434,163)	(3,434,163)	32,535	3,466,698
Cash or Fund Balances - Beginning of Year	-	-	158,569	158,569
Cash or Fund Balances - End of Year	\$ (3,434,163)	(3,434,163)	191,104	3,625,267
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			(10,547)	
NET CHANGE IN FUND BALANCE			\$ 21,988	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	28,945	28,945
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	-	-	28,945	28,945
EXPENDITURES				
Current:				
Instruction	20,226	25,146	20,764	4,382
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	20,226	25,146	20,764	4,382
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(20,226)	(25,146)	8,181	33,327
Other Financing Sources (Uses):				
Operating transfers	-	-	-	-
Designated Cash	22,548	22,378	-	(22,378)
Total Other Financing Sources (Uses):	22,548	22,378	-	(22,378)
Net Changes in Fund Balances	2,322	(2,768)	8,181	10,949
Cash or Fund Balances - Beginning of Year	-	-	224	224
Cash or Fund Balances - End of Year	\$ 2,322	(2,768)	8,405	11,173
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 8,181	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	-	-	-	-
Federal Grant	\$ -	-	20,669	20,669
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>20,669</u>	<u>20,669</u>
EXPENDITURES				
Current:				
Instruction	-	26,144	20,669	5,475
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>26,144</u>	<u>20,669</u>	<u>5,475</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>(26,144)</u>	<u>-</u>	<u>26,144</u>
Other Financing Sources (Uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>(26,144)</u>	<u>-</u>	<u>26,144</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(26,144)</u>	<u>-</u>	<u>26,144</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	-	-	-	-
Federal Grant	\$ -	-	46,152	46,152
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>46,152</u>	<u>46,152</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	61,032	46,152	14,880
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>61,032</u>	<u>46,152</u>	<u>14,880</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>(61,032)</u>	<u>-</u>	<u>61,032</u>
Net Changes in Fund Balances	<u>-</u>	<u>(61,032)</u>	<u>-</u>	<u>61,032</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(61,032)</u>	<u>-</u>	<u>61,032</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	-	-	-	-
Federal Grant	\$ -	-	5,760	5,760
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>5,760</u>	<u>5,760</u>
EXPENDITURES				
Current:				
Instruction	-	11,533	5,460	6,073
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	10,968	300	10,668
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>22,501</u>	<u>5,760</u>	<u>16,741</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>(22,501)</u>	<u>-</u>	<u>22,501</u>
Other Financing Sources (Uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>(22,501)</u>	<u>-</u>	<u>22,501</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(22,501)</u>	<u>-</u>	<u>22,501</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
CNM Foundation 26207
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	-	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	1,000	1,000
Total Revenues	-	-	1,000	1,000
EXPENDITURES				
Current:				
Instruction	1,256	2,256	1,882	374
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	1,256	2,256	1,882	374
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(1,256)	(2,256)	(882)	1,374
Other Financing Sources (Uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes in Fund Balances	(1,256)	(2,256)	(882)	1,374
Cash or Fund Balances - Beginning of Year	-	-	1,256	1,256
Cash or Fund Balances - End of Year	\$ (1,256)	(2,256)	374	2,630
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (882)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Credit for Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	1,218	1,218
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	-	-	1,218	1,218
EXPENDITURES				
Current:				
Instruction	-	1,433	1,218	215
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	1,433	1,218	215
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(1,433)	-	1,433
Other Financing Sources (Uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes in Fund Balances	-	(1,433)	-	1,433
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	(1,433)	-	1,433
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Robotics 2013 27116
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	-	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Other Financing Sources (Uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	(2,885)	(2,885)
Cash or Fund Balances - End of Year	\$ -	-	(2,885)	(2,885)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Hard to Staff Teacher Initiative 27195
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	15,188	15,188
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	-	-	15,188	15,188
EXPENDITURES				
Current:				
Instruction	-	15,188	15,188	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	15,188	15,188	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(15,188)	-	15,188
Net Changes in Fund Balances	-	(15,188)	-	15,188
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	(15,188)	-	15,188
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
ASBMB 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	-	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	1,377	1,377	1,377	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(1,377)</u>	<u>(1,377)</u>	<u>(1,377)</u>	<u>-</u>
Net Changes in Fund Balances	<u>(1,377)</u>	<u>(1,377)</u>	<u>(1,377)</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (1,377)</u>	<u>(1,377)</u>	<u>(1,377)</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>(1,377)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (1,377)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	266,154	266,154
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	-	-	266,154	266,154
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Capital Outlay	-	266,154	266,154	-
Total Expenditures	-	266,154	266,154	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(266,154)	-	266,154
Other Financing Sources (Uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes in Fund Balances	-	(266,154)	-	266,154
Cash or Fund Balances - Beginning of Year	-	-	(50,893)	(50,893)
Cash or Fund Balances - End of Year	\$ -	(266,154)	(50,893)	215,261
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay State 31400
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	48,776	48,776
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	-	-	48,776	48,776
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	15,606	48,776	48,776	-
Total Expenditures	15,606	48,776	48,776	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(15,606)	(48,776)	-	48,776
Other Financing Sources (Uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes in Fund Balances	(15,606)	(48,776)	-	48,776
Cash or Fund Balances - Beginning of Year	-	-	(41,224)	(41,224)
Cash or Fund Balances - End of Year	\$ (15,606)	(48,776)	(41,224)	7,552
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	-	59,114	59,114
State Grant	-	-	-	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>59,114</u>	<u>59,114</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Capital Outlay	166,747	189,171	130,696	58,475
Total Expenditures	<u>166,747</u>	<u>189,171</u>	<u>130,696</u>	<u>58,475</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(166,747)</u>	<u>(189,171)</u>	<u>(71,582)</u>	<u>117,589</u>
Net Changes in Fund Balances	<u>(166,747)</u>	<u>(189,171)</u>	<u>(71,582)</u>	<u>117,589</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>74,780</u>	<u>74,780</u>
Cash or Fund Balances - End of Year	<u>\$ (166,747)</u>	<u>(189,171)</u>	<u>3,198</u>	<u>192,369</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
Adjustments to Revenues			(698)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (72,280)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Bank of New York Mellon	FNMA FNMS 3.000%	31417EUE9	2/1/2043	\$ 104,715
				<u>\$ 104,715</u>
Total Cash per Schedule of Cash Accounts (Excluding Foundation):				\$ 439,677
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				189,677
Collateral Requirement:				94,839
Pledged Collateral Held by Pledging Financial Institution:				<u>104,715</u>
Balance Over Collateralized:				<u>\$ 9,876</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 84,962</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 439,677
Checking - Foundation	51,545
Bond Principal Fund - Foundation	39,611
Bond Interest Fund - Foundation	161,188
Bond Reserve Fund - Foundation	480,378
Bond Revenue Fund - Foundation	18,546
	<hr/>
Total on Deposit	1,190,945
Reconciling Items	(4,014)
	<hr/>
Reconciled Balance June 30, 2017	1,186,931
	<hr/>
Less Agency Funds	(11,465)
	<hr/>
Total Cash	<u><u>\$ 1,175,466</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Student Activity Fund 23000	Federal Flowthrough 24000	Local Grants 26000
Cash, June 30, 2016	\$ 236,669	224	3,247	2,834	1,256
Add:					
2016-17 revenues	<u>3,202,412</u>	<u>28,945</u>	<u>26,043</u>	<u>51,912</u>	<u>1,000</u>
Total cash available	3,439,081	29,169	29,290	54,746	2,256
Less:					
2016-17 expenditures	(3,180,424)	(20,764)	(17,825)	(51,912)	(1,882)
Receivables/Payables	213,112	-	-	-	2
Outstanding Loans	<u>(12,195)</u>	<u>-</u>	<u>-</u>	<u>12,195</u>	<u>-</u>
Cash June 30, 2017	<u>459,574</u>	<u>8,405</u>	<u>11,465</u>	<u>15,029</u>	<u>376</u>
Fund Balance Reconciliations to GAAP Basis:					
Audit reclassifications to cash	<u>(67,553)</u>	<u>-</u>	<u>-</u>	<u>(12,195)</u>	<u>-</u>
Cash per Books	<u>392,021</u>	<u>8,405</u>	<u>11,465</u>	<u>2,834</u>	<u>376</u>
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	<u>(281,023)</u>	<u>-</u>	<u>-</u>	<u>(12,195)</u>	<u>(2)</u>
Fund Balance, Modified Accrual Basis	<u>\$ 178,551</u>	<u>8,405</u>	<u>11,465</u>	<u>2,834</u>	<u>374</u>

The accompanying notes are an integral part of these financial statements

State Flowthrough 27000	Local or State Fund 29000	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	Capital Improvements SB-9 31701	Total
(2,852)	1,377	(50,893)	\$ (41,224)	74,780	225,418
1,218	-	266,154	48,776	58,416	3,684,876
(1,634)	1,377	215,261	7,552	133,196	3,910,294
(1,218)	(1,377)	(266,154)	(48,776)	(130,696)	(3,721,028)
-	-	-	-	-	213,114
-	-	-	-	-	-
(2,852)	-	(50,893)	(41,224)	2,500	402,380
2,852	-	50,893	41,224	18,173	33,394
-	-	-	-	20,673	435,774
Add: Foundation Cash per Balance Sheet - Governmental Funds:					751,157
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities - Agency Fund:					11,465
Total Cash per Books:					\$ 1,175,466
2,852	-	50,893	41,224	18,173	(180,078)
-	-	-	-	20,673	222,302
Add: Foundation:					751,157
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities - Agency Fund:					11,465
Balance Sheets - Governmental Funds:					\$ 961,994

The accompanying notes are an integral part of these financial statements

CARINOS DE LOS NINOS

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARINOS DE LOS CHARTER SCHOOL
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 56,755
Receivables	
Due from Other Governments	32,632
Total Current Assets	<u>89,387</u>

Noncurrent Assets:

Capital Assets	
Land	103,398
Building and Improvements	1,216,503
Equipment and Vehicles	24,130
Less: Accumulated Depreciation	<u>(139,188)</u>
Total Noncurrent Assets	<u>1,204,843</u>
Total Assets	<u>1,294,230</u>

Deferred Outflows - Pension Related	<u>376,466</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Account Payable	142,385
Accrued Liabilities	83,463
Total Current Liabilities	<u>225,848</u>

Noncurrent Liabilities:

Net Pension Liability	<u>1,836,530</u>
Total Noncurrent Liabilities	<u>1,836,530</u>
Total Liabilities	<u>2,062,378</u>

Deferred Inflows - Pension Related	<u>931,212</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	1,204,843
Restricted	19,450
Unrestricted (Deficit)	<u>(2,547,187)</u>
Total Net Position (Deficit)	<u>\$ (1,322,894)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Statement of Activities
For The Year Ended June 30, 2017
Unaudited

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 537,372	1,500	249,814	-	(286,058)
Support Services:					
Students	284,884	-	-	-	(284,884)
Instruction	3,765	-	-	-	(3,765)
General Administration	45,658	-	-	-	(45,658)
School Administration	145,074	-	-	-	(145,074)
Central Services	130,725	-	-	-	(130,725)
Operation & Maintenance of Plant	174,670	-	-	-	(174,670)
Student Transportation	144,538	-	154,390	-	9,852
Food Services	75,061	-	68,097	-	(6,964)
Facilities Materials, Supplies & Other Services	-	-	-	47,789	47,789
Total Governmental Activities	\$ 1,541,747	1,500	472,301	47,789	(1,020,157)
General Revenues:					
Property Taxes					27,906
State Equalization Guarantee					1,097,574
Total General Revenues					1,125,480
Change in Net Position					105,323
Net Position (Deficit), Beginning of Year					(1,428,217)
Net Position (Deficit), Ending					\$ (1,322,894)

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARINOS DE LOS NINOS
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Food Services 21000
ASSETS				
Cash and Cash Equivalents	\$ 15,091	5,277	9,895	9,775
Accounts Receivable				
Due from Governments	1,697	-	-	9,036
Due from Other Funds	32,222	-	-	-
Total Assets	<u>49,010</u>	<u>5,277</u>	<u>9,895</u>	<u>18,811</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	118,567	4,571	206	18,811
Accrued Expenditures	72,289	1,820	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>190,856</u>	<u>6,391</u>	<u>206</u>	<u>18,811</u>
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	-	9,689	-
Student Transportation	-	-	-	-
Capital Improvements	-	-	-	-
Unassigned	(141,746)	(1,114)	-	-
Total Fund Balance	<u>(141,746)</u>	<u>(1,114)</u>	<u>9,689</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 49,110</u>	<u>5,277</u>	<u>9,895</u>	<u>18,811</u>

The accompanying notes are an integral part of these financial statements

Athletics 22000	Activity Transportatin 23000	Title I IASA 24101	IDEA-B Entitlement 24106	English Language Acquisition 24153	Teacher Principal Training 24154
-	6,478	2,728	-	-	-
-	-	-	21,168	-	-
-	-	-	-	-	-
<u>-</u>	<u>6,478</u>	<u>2,728</u>	<u>21,168</u>	<u>-</u>	<u>-</u>
-	-	230	-	-	-
(38)	-	1,727	1,350	-	-
<u>8,529</u>	<u>-</u>	<u>-</u>	<u>22,248</u>	<u>-</u>	<u>1,545</u>
<u>8,491</u>	<u>-</u>	<u>1,957</u>	<u>23,598</u>	<u>-</u>	<u>1,545</u>
-	-	771	-	-	-
-	6,478	-	-	-	-
-	-	-	-	-	-
<u>(8,491)</u>	<u>-</u>	<u>-</u>	<u>(2,430)</u>	<u>-</u>	<u>(1,545)</u>
<u>(8,491)</u>	<u>6,478</u>	<u>771</u>	<u>(2,430)</u>	<u>-</u>	<u>(1,545)</u>
<u>-</u>	<u>6,478</u>	<u>2,728</u>	<u>21,168</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARINOS DE LOS NINOS
Balance Sheets - Governmental Funds
June 30, 2017

	Title XIX Medicaid 3/21 Years 25153	NM Reads to Lead K-3 27114	Kindergarten Three Plus 27166	Public School Capital Outlay 31200
ASSETS				
Cash and Cash Equivalents	-	5,730	-	-
Accounts Receivable				
Due from Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	-	5,730	-	-
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	-	-	-	-
Accrued Expenditures	-	6,315	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	-	6,315	-	-
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	-	-	-
Student Transportation	-	-	-	-
Capital Improvements	-	-	-	-
Unassigned	-	(585)	-	-
Total Fund Balance	-	(585)	-	-
Total Liabilities and Fund Balances	-	5,730	-	-

The accompanying notes are an integral part of these financial statements

HB-33 Capital Improvements 31600	SB-9 Capital Improvements State Match 31200	SB-9 Capital Improvements Local 31701	Total
1,781	-	-	56,755
-	-	731	32,632
-	-	-	32,222
<u>1,781</u>	<u>-</u>	<u>731</u>	<u>121,609</u>
-	-	-	142,385
-	-	-	83,463
-	-	-	32,322
<u>-</u>	<u>-</u>	<u>-</u>	<u>258,170</u>
-	-	-	10,460
-	-	-	6,478
1,781	-	731	2,512
-	-	-	(155,911)
<u>1,781</u>	<u>-</u>	<u>731</u>	<u>(136,461)</u>
<u>1,781</u>	<u>-</u>	<u>731</u>	<u>121,709</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017
Unaudited**

Fund Balance - Total Governmental Funds \$ (136,461)

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

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

Capital Assets	1,344,031	
Accumulated Depreciation	(139,188)	
	1,204,843	1,204,843

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.

376,466

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.

(1,836,530)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.

(931,212)

Net Position (Deficit) - Total Governmental Activities	\$ (1,322,894)
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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017
Unaudited

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	34,312	-	-	-
State Grant	1,097,574	139,926	6,384	-
Federal Grant	-	-	-	68,097
Charges for Services	1,500	-	-	-
Total Revenues	1,133,386	139,926	6,384	68,097
EXPENDITURES				
Current:				
Instruction	567,616	-	3,346	-
Support Services:				
Students	228,414	-	-	-
Instruction	3,765	-	-	-
General Administration	45,658	-	-	-
School Administration	152,856	-	-	-
Central Services	145,867	-	-	-
Operation & Maintenance of Plant	130,996	-	-	-
Student Transportation	4,561	141,040	-	-
Food Services Operations	11,696	-	-	68,097
Capital Outlay	71,138	-	-	-
Total Expenditures	1,362,567	141,040	3,346	68,097
Net Changes in Fund Balances	(229,181)	(1,114)	3,038	-
Fund Balances (Deficit) - Beginning of Year	87,435	-	6,651	-
Fund Balances (Deficit) - End of Year	\$ (141,746)	(1,114)	9,689	-

Athletics 22000	Activity Transportation 23000	Title I IASA 24101	IDEA-B Entitlement 24106	English Language Acquisition 24153	Teacher Principal Training 24154
-	14,464	-	-	3,875	5,041
-	-	-	-	-	-
-	-	53,259	61,943	-	-
-	-	-	-	-	-
-	14,464	53,259	61,943	3,875	5,041
-	8,400	37,678	-	-	-
-	-	-	21,167	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	12,069	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,400	37,678	33,236	-	-
-	6,064	15,581	28,707	3,875	5,041
(8,491)	414	(14,810)	(31,137)	(3,875)	(6,586)
(8,491)	6,478	771	(2,430)	-	(1,545)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - (Continued)
Governmental Funds
For The Year Ended June 30, 2017
Unaudited

	Title XIX Medicaid 3/21 Years 25153	New Mexico Reads to Lead 27114	Kindergarten Three Plus 27166	Public School Capital Outlay 31200
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	19,326
State Grant	-	49,992	27,443	-
Federal Grant	7,565	-	-	-
Charges for Services	-	-	-	-
Total Revenues	<u>7,565</u>	<u>49,992</u>	<u>27,443</u>	<u>19,326</u>
EXPENDITURES				
Current:				
Instruction	-	-	15,911	-
Support Services:				
Students	7,565	50,577	11,532	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>7,565</u>	<u>50,577</u>	<u>27,443</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>(585)</u>	<u>-</u>	<u>19,326</u>
Fund Balances(Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,326)</u>
Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>(585)</u>	<u>-</u>	<u>-</u>

HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
1,781	-	26,125	27,906
-	-	-	77,018
-	28,463	-	1,349,782
-	-	-	190,864
-	-	-	1,500
<u>1,781</u>	<u>28,463</u>	<u>26,125</u>	<u>1,647,070</u>
-	-	-	632,951
-	-	-	319,255
-	-	-	3,765
-	-	-	45,658
-	-	-	164,925
-	-	-	145,867
-	-	-	130,996
-	-	-	145,601
-	-	-	79,793
-	28,463	87,325	186,926
-	<u>28,463</u>	<u>87,325</u>	<u>1,855,737</u>
<u>1,781</u>	-	(61,200)	(208,667)
-	-	61,931	72,206
<u>1,781</u>	-	<u>731</u>	<u>(136,461)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017
Unaudited**

Net Change in Fund Balance - Total Governmental Funds \$ (208,667)

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

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 capital outlay exceeds
depreciation for the period

Capital Outlays	186,926	
Depreciation Expense	<u>(48,885)</u>	
		138,041

Changes in deferred outflows resources-pension related, deferred inflows of resources-pension related and the net pension liability		<u>175,949</u>
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Change in Net Position - Total Governmental Activities \$ 105,323

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017
Unaudited**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Cariños De Los Niños Charter School’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Cariños De Los Niños Charter School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Cariños De Los Niños Charter School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for Cariños De Los Niños Charter School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017
Unaudited**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 103,398	-	-	103,398
<i>Total</i>	<u>103,398</u>	<u>-</u>	<u>-</u>	<u>103,398</u>
<i>Capital Assets being Depreciated:</i>				
Building Improvements	1,029,577	186,926	-	1,216,503
Equipment and Vehicles	24,130	-	-	24,130
<i>Total</i>	<u>1,053,707</u>	<u>186,926</u>	<u>-</u>	<u>1,240,633</u>
<i>Less: Accumulated Depreciation</i>				
Building Improvements	(67,934)	(45,128)	-	(113,062)
Equipment and Vehicles	(22,369)	(3,757)	-	(26,126)
<i>Total</i>	<u>(90,303)</u>	<u>(48,885)</u>	<u>-</u>	<u>(139,188)</u>
Capital Assets, Net	<u>\$ 1,066,802</u>	<u>138,041</u>	<u>-</u>	<u>1,204,843</u>

Depreciation expensed for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$ 3,757
Operation and Maintenance Plant	<u>45,128</u>
Total	<u>\$ 48,885</u>

NOTE 3. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Cariños De Los Niños Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017
Unaudited**

NOTE 3. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Cariños De Los Niños Charter School paid employee and employer contributions of \$102,762 and \$178,175.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Cariños De Los Niños Charter School reported a liability of \$1,836,530 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016

Cariños De Los Niños Charter School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Cariños De Los Niños Charter School's proportion was 0.02552% percent, which was a decrease of 0.01456% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Cariños De Los Niños Charter School recognized pension expense of \$(65,400). As of June 30, 2017, Cariños De Los Niños Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,968	(17,468)
Changes in assumptions	37,384	-
Net difference between projected and actual earnings on pension plan investments	109,626	-
Changes in proportion and differences between Cariños De Los Niños Charter School's contributions and proportionate share of contributions	118,726	(913,744)
Cariños De Los Niños Charter School's contributions subsequent to the measurement date	<u>102,762</u>	<u>-</u>
Total	<u>\$ 376,466</u>	<u>(931,212)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017
Unaudited**

NOTE 3. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

The amount of \$102,762 reported as deferred outflows of resources related to pensions resulting from Cariños De Los Niños Charter School's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	(221,019)
2019		(324,695)
2020		(138,527)
2021		26,733
Total	\$	<u>(657,508)</u>

Sensitivity of Cariños De Los Niños Charter School's proportionate share of the net pension liability to changes in the discount rate. The following presents Cariños De Los Niños Charter School's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what Cariños De Los Niños Charter 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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Cariños De Los Niños Charter School's proportionate share of the net pension liability	\$ 2,432,441	1,836,530	1,342,092

Payables to the pension plan. For the year ending June 30, 2017, Cariños De Los Niños Charter School's accrued liability due to ERB was \$28,619 for June payroll paid in July 2017.

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017
Unaudited**

NOTE 4. BUDGETARY OVERAGE

Cariños De Los Niños Charter School expended in excess of the budget in the following fund and functions:

Fund 11000 Operational – Instruction	\$ 2,797
Fund 11000 Operational – Support Services	87,776
Fund 11000 Operational – Operation & Maintenance of Plant	22,674
Fund 11000 Operational – Capital Outlay	61,468
Fund 13000 Pupil Transportation – Student Transportation	1,114
Fund 21000 Food Services – Food Services Operations	12,422
Fund 27114 New Mexico Reads to Lead – Support Services	577

NOTE 5. DEFICIT FUND BALANCE

The following funds had a deficit fund balance at June 30, 2017:

Operational – 11000	\$ 141,746
Pupil Transportation – 13000	1,114
Athletics – 22000	8,491
IDEA-B Entitlement – 24106	2,430
Teacher Principal Training – 24154	1,545
New Mexico Reads to Lead – 27114	585

NOTE 6. BUDGETARY INFORMATION

A budget was not adopted for English Language Acquisition Fund 24153, Teacher Principal Training Fund 24154, and Public School Capital Outlay Fund 31200. Therefore, budgetary schedules are not provided for these funds.

NOTE 7. AUTHORIZATION OF STATE CHARTER

During 2017, Cariños De Los Niños Charter School was one of two charter schools that became a state authorized charter school under the New Mexico Public Education Department. Cariños De Los Niños Charter School received authorization of its state charter in April 2016 and began operations under the New Mexico Public Education Department on July 1, 2016. Cariños De Los Niños Charter School was previously presented as a component unit of the Espanola Public School District.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017
Unaudited**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.03%	0.04%	0.05%
School's Proportionate Share of Net Pension Liability (Asset)	\$	1,837	2,596	2,709
School's Covered-Employee Payroll	\$	739	1,094	1,309
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		248.58%	237.23%	207.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Cariños Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017
Unaudited**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Statutory required contributions	\$ 158	94	203
Contributions in Relation to the Contractually Required Contribution	158	94	103
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Cariños Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017
Unaudited

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Local & County Grant	\$ -	33,944	34,312	368
State Grant	1,650,261	1,098,362	1,097,574	(788)
Charges for Services	-	1,500	1,500	-
Total Revenues	<u>1,650,261</u>	<u>1,133,806</u>	<u>1,133,386</u>	<u>(420)</u>
EXPENDITURES				
Current:				
Instruction	749,676	519,753	522,550	(2,797)
Support Services:				
Students	250,582	195,117	254,837	(59,720)
Instruction	2,500	2,500	3,765	(1,265)
General Administration	85,250	55,157	34,356	20,801
School Administration	115,500	103,527	151,119	(47,592)
Central Services	228,669	172,976	140,622	32,354
Operation & Maintenance of Plant	184,878	119,252	141,926	(22,674)
Student Transportation	-	13,792	4,561	9,231
Food Services Operations	22,895	14,802	11,696	3,106
Capital outlay	50,000	344	61,812	(61,468)
Total Expenditures	<u>1,689,950</u>	<u>1,197,220</u>	<u>1,327,244</u>	<u>(130,024)</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(39,689)</u>	<u>(63,414)</u>	<u>(193,858)</u>	<u>(130,444)</u>
Other Financing Sources (Uses):				
Designated Cash	39,689	63,414	-	(63,414)
Total Other Financing Sources (Uses):	<u>39,689</u>	<u>63,414</u>	<u>-</u>	<u>(63,414)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(193,858)</u>	<u>(193,858)</u>
Cash or Fund Balances - Beginning of Year	<u>63,414</u>	<u>63,414</u>	<u>63,414</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 63,414</u>	<u>63,414</u>	<u>(130,444)</u>	<u>(193,858)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (193,858)	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>(35,323)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (229,181)</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2017
Unaudited

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ 115,681	139,926	139,926	-
Total Revenues	<u>115,681</u>	<u>139,926</u>	<u>139,926</u>	<u>-</u>
EXPENDITURES				
Current:				
Student Transportation	115,681	139,926	141,040	(1,114)
Total Expenditures	<u>115,681</u>	<u>139,926</u>	<u>141,040</u>	<u>(1,114)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,114)</u>	<u>(1,114)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,114)</u>	<u>(1,114)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (1,114)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (1,114)</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017
Unaudited

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 5,594	4,804	6,384	1,580
Total Revenues	<u>5,594</u>	<u>4,804</u>	<u>6,384</u>	<u>1,580</u>
EXPENDITURES				
Current:				
Instruction	12,246	11,456	3,346	8,110
Total Expenditures	<u>12,246</u>	<u>11,456</u>	<u>3,346</u>	<u>8,110</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(6,652)</u>	<u>(6,652)</u>	<u>3,038</u>	<u>9,690</u>
Other Financing Sources (Uses):				
Designated Cash	6,652	6,652	-	(6,652)
Total Other Financing Sources (Uses):	<u>6,652</u>	<u>6,652</u>	<u>-</u>	<u>(6,652)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,038</u>	<u>3,038</u>
Cash or Fund Balances - Beginning of Year	<u>6,651</u>	<u>6,651</u>	<u>6,651</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 6,651</u>	<u>6,651</u>	<u>9,689</u>	<u>3,038</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 3,038	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 3,038</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017
Unaudited

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Federal Grant	\$ -	55,675	59,061	3,386
Total Revenues	<u>-</u>	<u>55,675</u>	<u>59,061</u>	<u>3,386</u>
EXPENDITURES				
Current:				
Support Services:				
Food Services Operations	-	55,675	68,097	(12,422)
Total Expenditures	<u>-</u>	<u>55,675</u>	<u>68,097</u>	<u>(12,422)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(9,036)</u>	<u>(9,036)</u>
Cash or Fund Balances - Beginning of Year	<u>(31,137)</u>	<u>(31,137)</u>	<u>(31,137)</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (31,137)</u>	<u>(31,137)</u>	<u>(40,173)</u>	<u>(9,036)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (9,036)	
Adjustments to Revenues			9,036	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Activity Transportation 23000
For The Year Ended June 30, 2017
Unaudited

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Local & County Grant	\$ 3,500	12,233	14,464	2,231
Total Revenues	<u>3,500</u>	<u>12,233</u>	<u>14,464</u>	<u>2,231</u>
EXPENDITURES				
Current:				
Instruction	3,500	12,233	8,400	3,833
Total Expenditures	<u>3,500</u>	<u>12,233</u>	<u>8,400</u>	<u>3,833</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>6,064</u>	<u>6,064</u>
Cash or Fund Balances - Beginning of Year	<u>414</u>	<u>414</u>	<u>414</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 414</u>	<u>414</u>	<u>6,478</u>	<u>6,064</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 6,064	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 6,064</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017
Unaudited

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Federal Grant	\$ 61,622	46,520	38,449	(8,071)
Total Revenues	<u>61,622</u>	<u>46,520</u>	<u>38,449</u>	<u>(8,071)</u>
EXPENDITURES				
Current:				
Instruction	61,622	46,520	37,678	8,842
Total Expenditures	<u>61,622</u>	<u>46,520</u>	<u>37,678</u>	<u>8,842</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>771</u>	<u>771</u>
Cash or Fund Balances - Beginning of Year	<u>(14,810)</u>	<u>(14,810)</u>	<u>(14,810)</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (14,810)</u>	<u>(14,810)</u>	<u>(14,039)</u>	<u>771</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 771	
Adjustments to Revenues			14,810	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 15,581</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017
Unaudited

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Federal Grant	\$ 12,436	29,426	8,245	(21,181)
Total Revenues	<u>12,436</u>	<u>29,426</u>	<u>8,245</u>	<u>(21,181)</u>
EXPENDITURES				
Current:				
Instruction	12,436	-	-	-
Support Services:				
Students	-	16,990	16,990	-
School Administration	-	12,436	12,069	367
Total Expenditures	<u>12,436</u>	<u>29,426</u>	<u>29,059</u>	<u>367</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(20,814)</u>	<u>(20,814)</u>
Cash or Fund Balances - Beginning of Year	<u>(31,137)</u>	<u>(31,137)</u>	<u>(31,137)</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (31,137)</u>	<u>(31,137)</u>	<u>(51,951)</u>	<u>(20,814)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (20,814)	
Adjustments to Revenues			53,698	
Adjustments to Expenditures			(4,177)	
NET CHANGE IN FUND BALANCE			<u>\$ 28,707</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 3/21 Years 25153
For The Year Ended June 30, 2017
Unaudited

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Federal Grant	\$ 20,000	20,000	7,565	(12,435)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>7,565</u>	<u>(12,435)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	20,000	20,000	7,565	12,435
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>7,565</u>	<u>12,435</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Reads to Lead 27114
For The Year Ended June 30, 2017
Unaudited

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	50,000	49,992	(8)
Total Revenues	<u>-</u>	<u>50,000</u>	<u>49,992</u>	<u>(8)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	50,000	50,577	(577)
Total Expenditures	<u>-</u>	<u>50,000</u>	<u>50,577</u>	<u>(577)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(585)</u>	<u>(585)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(585)</u>	<u>(585)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (585)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (585)</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Kindergarten Three Plus 27166
For The Year Ended June 30, 2017
Unaudited

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 26,477	34,393	27,443	(6,950)
Total Revenues	<u>26,477</u>	<u>34,393</u>	<u>27,443</u>	<u>(6,950)</u>
EXPENDITURES				
Current:				
Instruction	26,477	22,859	15,911	6,948
Support Services:				
Students	-	11,534	11,532	2
Total Expenditures	<u>26,477</u>	<u>34,393</u>	<u>27,443</u>	<u>6,950</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017
Unaudited

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 28,463	34,794	28,463	(6,331)
Total Revenues	<u>28,463</u>	<u>34,794</u>	<u>28,463</u>	<u>(6,331)</u>
EXPENDITURES				
Capital Outlay	28,463	34,794	28,463	6,331
Total Expenditures	<u>28,463</u>	<u>34,794</u>	<u>28,463</u>	<u>6,331</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements Local 31701
For The Year Ended June 30, 2017
Unaudited

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Property Taxes	\$ 27,025	27,025	25,394	-
Total Revenues	<u>27,025</u>	<u>27,025</u>	<u>25,394</u>	<u>-</u>
EXPENDITURES				
Current:				
Capital Outlay	99,323	99,323	87,325	11,998
Total Expenditures	<u>99,323</u>	<u>99,323</u>	<u>87,325</u>	<u>11,998</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(72,298)</u>	<u>(72,298)</u>	<u>(61,931)</u>	<u>11,998</u>
Other Financing Sources (Uses):				
Designated Cash	72,298	72,298	-	(72,298)
Total Other Financing Sources (Uses):	<u>72,298</u>	<u>72,298</u>	<u>-</u>	<u>(72,298)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(61,931)</u>	<u>(60,300)</u>
Cash or Fund Balances - Beginning of Year	<u>61,931</u>	<u>61,931</u>	<u>61,931</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 61,931</u>	<u>61,931</u>	<u>-</u>	<u>(60,300)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (61,931)	
Adjustments to Revenues			731	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (61,200)</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017
Unaudited

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2016</u>
N/A	N/A	N/A	N/A	N/A
Total Cash per Schedule of Cash Accounts:				\$ 75,511
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				-
Collateral Requirement:				-
Pledged Collateral Held by Pledging Financial Institution:				<u>-</u>
Balance Over Collateralized:				\$ <u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				\$ <u>-</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Schedule of Cash Accounts
June 30, 2017
Unaudited

<u>Bank Account Type</u>	<u>Century Bank</u>
Checking - Operational Account	<u>\$ 75,511</u>
<i>Total on Deposit</i>	75,511
Reconciling Items	<u>(18,756)</u>
Reconciled Balance June 30, 2017	<u>56,755</u>
<i>Total Cash</i>	<u><u>\$ 56,755</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Cash Reconciliation
June 30, 2017
Unaudited

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ 68,530	-	6,651	-
Add:				
2016-17 revenues	1,133,387	139,926	6,384	59,061
Total Cash Available	1,201,917	139,926	13,035	59,061
Less:				
2016-17 expenditures	(1,327,244)	(141,040)	(3,346)	(68,097)
Receivables/Payables	72,289	1,820	-	-
Outstanding Loans	(32,322)	-	-	-
Cash June 30, 2017	(85,360)	706	9,689	(9,036)
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	100,451	4,571	206	18,811
Cash Per Books	15,091	5,277	9,895	9,775
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(156,837)	(6,391)	(206)	(9,775)
Fund Balance (Deficit), Modified Accrual Basis:	\$ (141,746)	(1,114)	9,689	-

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

Athletics 22000	Non-Instruct. Fund 23000	Federal Projects Account 24000	Federal Direct Account 25000	State Account 27000
-	414	-	-	-
-	14,463	46,694	7,565	77,435
-	14,877	46,694	7,565	77,435
(38)	(8,399)	(66,738)	(7,565)	(78,020)
8,529	-	3,077	-	6,315
	-	23,793	-	-
8,491	6,478	6,826	-	5,730
(8,491)	-	(4,098)	-	-
-	6,478	2,728	-	5,730
(8,491)	-	(5,932)	-	(6,315)
(8,491)	6,478	(3,204)	-	(585)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CARIÑOS DE LOS NIÑOS CHARTER SCHOOL
Cash Reconciliation - (Continued)
June 30, 2017
Unaudited

	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
Cash, June 30, 2016	\$ -	-	61,931	137,526
Add:				
2016-17 revenues	1,781	28,463	25,394	1,540,553
Total Cash Available	1,781	28,463	87,325	1,678,079
Less:				
2016-17 expenditures	-	(28,463)	(87,325)	(1,816,237)
Receivables/Payables	-	-	-	83,463
Outstanding Loans	-	-	-	-
Cash June 30, 2017	1,781	-	-	(54,695)
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	-	-	-	111,450
Cash Per Books	1,781	-	-	56,755
				<u>\$ 56,755</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	-	-	731	(193,216)
Fund Balance (Deficit), Modified Accrual Basis:	<u>\$ 1,781</u>	<u>-</u>	<u>731</u>	<u>(136,461)</u>
Balance Sheets - Governmental Funds:				<u>\$ (136,461)</u>

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

CESAR CHAVEZ COMMUNITY SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,014,818
Receivables	
Due from Other Governments	62,513
Deposits	13,000
Total Current Assets	<u>1,090,331</u>

Noncurrent Assets:

Capital Assets	
Building and Improvements	23,270
Furniture, Fixtures, and Equipment	175,231
Less: Accumulated Depreciation	<u>(137,248)</u>
Total Noncurrent Assets	<u>61,253</u>

Total Assets	<u>1,151,584</u>
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Deferred Outflows - Pension Related	<u>366,828</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	7,338
Accrued Liabilities	47,510
Total Current Liabilities	<u>54,848</u>

Noncurrent Liabilities:

Net Pension Liability	<u>2,393,534</u>
Total Noncurrent Liabilities	<u>2,393,534</u>

Total Liabilities	<u>2,448,382</u>
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Deferred Inflows - Pension Related	<u>225,556</u>
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NET POSITION (DEFICIT)

Investment in Capital Assets	61,253
Restricted	302,182
Unrestricted (Deficit)	<u>(1,518,961)</u>
Total Net Position (Deficit)	<u>\$ (1,155,526)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Statement of Activities
For The Year Ended June 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 1,002,878	-	259,141	-	(743,737)
Support Services:					
Students	328,738	-	-	-	(328,738)
Instruction	13,854	-	-	-	(13,854)
General Administration	34,462	-	-	-	(34,462)
School Administration	216,094	-	-	-	(216,094)
Central Services	141,175	-	-	-	(141,175)
Operation & Maintenance of Plant	440,980	-	-	-	(440,980)
Food Services	50,512	-	54,110	-	3,598
Facilities Materials, Supplies & Other Services	146,736	-	-	152,427	5,691
Total Governmental Activities	\$ 2,375,429	-	313,251	152,427	(1,909,751)
General Revenues:					
Property Taxes					\$ 184,784
State Equalization Guarantee					1,952,439
Miscellaneous					155
Total General Revenues					<u>2,137,378</u>
Change in Net Position					227,627
Net Position (Deficit), Beginning					<u>(1,383,153)</u>
Net Position (Deficit), Ending					<u>\$ (1,155,526)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Balance Sheets - Governmental Funds
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 621,707	3,342	4,337	-
Accounts Receivable				
Due from Government	-	-	-	34,834
Due from Other Funds	55,709	-	-	-
Deposits	13,000	-	-	-
Total Assets	\$ 690,416	3,342	4,337	34,834
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 7,338	-	-	-
Accrued Expenditures	43,362	-	-	3,971
Due to Other Funds	-	-	-	30,863
Total Liabilities	50,700	-	-	34,834
Fund Balances				
Fund Balance:				
Nonspendable:				
Deposits	13,000	-	-	-
Restricted for:				
Instruction	-	3,342	-	-
Food Service Operations	-	-	4,337	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	626,716	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	639,716	3,342	4,337	-
Total Liabilities and Fund Balances	\$ 690,416	3,342	4,337	34,834

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title I School Improvement 24162	Title XIX Medicaid 25152	CNM Foundation 26207	Dual Credit Instructional Materials 27103
-	-	-	-	276	-
8,061	6,000	6,695	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,061</u>	<u>6,000</u>	<u>6,695</u>	<u>-</u>	<u>276</u>	<u>-</u>
-	-	-	-	-	-
-	74	101	-	-	-
<u>8,061</u>	<u>5,926</u>	<u>6,594</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>8,061</u>	<u>6,000</u>	<u>6,695</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	276	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276</u>	<u>-</u>
<u>8,061</u>	<u>6,000</u>	<u>6,695</u>	<u>-</u>	<u>276</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	2012 GO Bond Student Library SB-66 27107	GRADS 28190	GRADS Plus 28203	Public School Capital Outlay 31200
ASSETS				
Cash and Cash Equivalents	\$ -	2	-	-
Accounts Receivable				
Due from Government	-	-	4,290	-
Due from Other Funds	-	-	-	-
Deposits	-	-	-	-
Total Assets	\$ -	2	4,290	-
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	-	-	-
Accrued Expenditures	-	2	-	-
Due to Other Funds	-	-	4,265	-
Total Liabilities	-	2	4,265	-
Fund Balances				
Fund Balance:				
Nonspendable:				
Deposits	-	-	-	-
Restricted for:				
Instruction	-	-	25	-
Food Service Operations	-	-	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	-	-	25	-
Total Liabilities and Fund Balances	\$ -	2	4,290	-

The accompanying notes are an integral part of these financial statements

Special Capital Outlay State 31400	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	Capital Improvements SB-9 (Local) 31701	Foundation	Total
-	118,750	-	172,819	93,585	1,014,818
-	1,650	-	983	-	62,513
-	-	-	-	-	55,709
-	-	-	-	13,000	26,000
<u>-</u>	<u>120,400</u>	<u>-</u>	<u>173,802</u>	<u>106,585</u>	<u>1,159,040</u>
-	-	-	-	-	7,338
-	-	-	-	13,000	60,510
-	-	-	-	-	55,709
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>123,557</u>
-	-	-	-	13,000	26,000
-	-	-	-	-	3,643
-	-	-	-	-	4,337
-	120,400	-	173,802	-	294,202
-	-	-	-	-	626,716
-	-	-	-	80,585	80,585
<u>-</u>	<u>120,400</u>	<u>-</u>	<u>173,802</u>	<u>93,585</u>	<u>1,035,483</u>
<u>-</u>	<u>120,400</u>	<u>-</u>	<u>173,802</u>	<u>106,585</u>	<u>1,159,040</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 1,035,483**

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

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

Capital Assets	198,501	
Accumulated Depreciation	<u>(137,248)</u>	
		61,253

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		366,828
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(225,556)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(2,393,534)</u>
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Net Position (Deficit)-Total Governmental Activities		<u><u>\$ (1,155,526)</u></u>
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The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	15,377	-	-	-
State Grant	1,952,439	12,644	-	-
Federal Grant	49,701	-	54,110	83,218
Charges for Services	-	-	-	-
Miscellaneous Income	90	-	-	-
Total Revenues	2,017,607	12,644	54,110	83,218
EXPENDITURES				
Current:				
Instruction	788,308	13,609	-	83,015
Support Services:				
Students	309,069	-	-	203
Instruction	13,854	-	-	-
General Administration	32,637	-	-	-
School Administration	206,804	-	-	-
Central Services	157,577	-	-	-
Operation & Maintenance of Plant	440,980	-	-	-
Food Services Operations	-	-	50,512	-
Capital Outlay	-	-	-	-
Total Expenditures	1,949,229	13,609	50,512	83,218
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>68,378</u>	<u>(965)</u>	<u>3,598</u>	<u>-</u>
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>68,378</u>	<u>(965)</u>	<u>3,598</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>571,338</u>	<u>4,307</u>	<u>739</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 639,716</u>	<u>3,342</u>	<u>4,337</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title I School Improvement 24162	Title XIX Medicaid 25152	CNM Foundation 26207	Dual Credit Instructional Materials 27103
-	-	-	-	-	-
-	-	-	-	1,190	-
-	-	-	-	-	857
23,726	12,475	40,823	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>23,726</u>	<u>12,475</u>	<u>40,823</u>	<u>-</u>	<u>1,190</u>	<u>857</u>
13,293	10,533	40,823	-	958	857
10,433	-	-	1,440	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,942	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>23,726</u>	<u>12,475</u>	<u>40,823</u>	<u>1,440</u>	<u>958</u>	<u>857</u>
-	-	-	(1,440)	232	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(1,440)	232	-
-	-	-	1,440	44	-
-	-	-	-	276	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Statement of Revenues, Expenditures, and Changes In Fund Balances - Continued
Governmental Funds
For The Year Ended June 30, 2017

	2012 GO Bond Student Library SB-66 27107	GRADS 28190	GRADS Plus 28203	Public School Capital Outlay 31200
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	-	11,500	7,630	149,827
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	-	11,500	7,630	149,827
EXPENDITURES				
Current:				
Instruction	-	11,500	7,630	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	149,827
Total Expenditures	-	11,500	7,630	149,827
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Fund Balances - Beginning of Year	-	-	25	-
Fund Balances - End of Year	\$ -	-	25	-

The accompanying notes are an integral part of these financial statements

Special Capital Outlay State 31400	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	Capital Improvements SB-9 (Local) 31701	Foundation	Total
-	121,616	-	63,168	-	184,784
-	-	-	-	-	16,567
-	-	2,600	-	-	2,137,497
-	-	-	-	-	264,053
-	-	-	-	426,147	426,147
-	-	-	-	65	155
-	121,616	2,600	63,168	426,212	3,029,203
-	-	-	-	-	970,526
-	-	-	-	-	321,145
-	-	-	-	-	13,854
-	1,216	-	609	-	34,462
-	-	-	-	-	208,746
-	-	-	-	-	157,577
-	-	-	-	-	440,980
-	-	-	-	-	50,512
-	-	2,600	2,760	411,432	566,619
-	1,216	2,600	3,369	411,432	2,764,421
-	120,400	-	59,799	14,780	264,782
-	-	(114,003)	114,003	-	-
-	-	(114,003)	114,003	-	-
-	120,400	(114,003)	173,802	14,780	264,782
-	-	114,003	-	78,805	770,701
-	120,400	-	173,802	93,585	1,035,483

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 264,782**

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

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 capital outlay exceeds
depreciation for the period

Capital Outlay	20,657	
Depreciation Expense	(16,992)	
		3,665

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability		(40,820)
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Change in Net Position-Total Governmental Activities **\$ 227,627**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 2,552
Total Assets	<u>\$ 2,552</u>
LIABILITIES	
Deposits Held for Others	\$ 2,552
Total Liabilities	<u>\$ 2,552</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 5,257	5,560	(8,265)	2,552
Total Assets	<u>\$ 5,257</u>	<u>\$ 5,560</u>	<u>\$ (8,265)</u>	<u>\$ 2,552</u>
LIABILITIES				
Deposits Held for Others	\$ 5,257	5,560	(8,265)	2,552
Total Liabilities	<u>\$ 5,257</u>	<u>5,560</u>	<u>(8,265)</u>	<u>2,552</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Cesar Chavez Community School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Cesar Chavez Community School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Cesar Chavez Community School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5-7 years
Buildings and Improvements	5-7 years

Capital assets for Cesar Chavez Community School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital asset changes during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Transfers	June 30, 2017
<i>Capital Assets not being Depreciated:</i>				
Construction-in-progress	\$ 39,917	-	(39,917)	-
<i>Total</i>	39,917	-	(39,917)	-
<i>Capital Assets being Depreciated:</i>				
Building and improvements	23,270	-	-	23,270
Furniture, fixtures and equipment	114,657	20,657	39,917	175,231
<i>Total</i>	137,927	20,657	39,917	198,501
<i>Less: Accumulated Depreciation</i>				
Building and improvements	(23,270)	-	-	(23,270)
Furniture, fixtures and equipment	(96,986)	(16,992)	-	(113,978)
<i>Total</i>	(120,256)	(16,992)	-	(137,248)
Capital Assets, Net	\$ 57,588	3,665	-	61,253

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$	8,023
Central Services		2,705
Facilities, Materials, Supplies & Other Services		6,264
Total	\$	<u>16,992</u>

NOTE 3. COMMITMENTS AND LIABILITIES

Cesar Chavez Community School leases equipment and facilities under long-term cancelable operating leases. Rental expenses for the year ended June 30, 2017 was \$441,891. The Cesar Chavez Community School's minimum future payments on these leases are as follows:

Year Ending June 30:		
2018	\$	454,398
2019		466,860
2020		470,707
Total	\$	<u>1,391,965</u>

The Cesar Chavez Community School Education Foundation (Foundation) leased a facility under a long-term cancelable operating lease. Rental expenses for the year ended June 30, 2017 was \$372,393. The Foundation's minimum future payments on these leases are as follows:

Year Ending June 30:		
2018	\$	415,437
2019		427,899
2020		440,736
Total	\$	<u>1,284,072</u>

NOTE 4. RELATED PARTY TRANSACTIONS

Cesar Chavez Community School has a Foundation which subleases the property to the school. The Foundation is considered a component unit of Cesar Chavez Community School and is presented as a blended component unit.

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Cesar Chavez Community School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Cesar Chavez Community School paid employee and employer contributions of \$128,571 and \$132,046.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Cesar Chavez Community School reported a liability of \$2,393,534 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Cesar Chavez Community School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Cesar Chavez Community School’s proportion was 0.03326%, which was a decrease of 0.00431% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Cesar recognized pension expense of \$170,225. As of June 30, 2017, Cesar Chavez Community School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,384	(22,766)
Changes in assumptions	48,723	-
Net difference between projected and actual earnings on pension plan investments	142,874	-
Changes in proportion and differences between the Cesar Chavez Community School's contributions and proportionate share of contributions	36,276	(202,790)
The Cesar Chavez Community School's contributions subsequent to the measurement date	<u>128,571</u>	<u>-</u>
Total	<u>\$ 366,828</u>	<u>(225,556)</u>

The amount of \$128,571 reported as deferred outflows of resources related to pensions resulting from Cesar Chavez Community School contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ (13,277)
2019	(20,140)
2020	11,278
2021	<u>34,840</u>
Total	<u>\$ 12,701</u>

Sensitivity of Cesar Chavez Community School's proportionate share of the net pension liability to changes in the discount rate. The following presents the Cesar Chavez Community Schools proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Cesar Chavez Community 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:

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Notes to the Financial Statements
June 30, 2017

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
The School’s proportionate share of the net pension liability	<u>\$ 3,170,180</u>	<u>2,393,534</u>	<u>1,749,137</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Cesar Chavez Community School owed \$7,203 to ERB for fiscal year 2017 contributions.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	Fiscal Year	30-Jun		
		2017	2016	2015
	Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)		0.03326%	0.03757%	0.03682%
School's Proportionate Share of Net Pension Liability (Asset)	\$	2,394	2,433	2,101
School's Covered-Employee Payroll	\$	950	1,026	1,015
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		252.00%	237.13%	207.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Cesar Chavez Community School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ 148	132	129
Contributions in Relation to the Contractually Required Contribution	148	132	129
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Cesar Chavez Community School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	-	15,377	15,377
State Grant	2,023,454	1,952,440	1,952,439	(1)
Federal Grant	-	53,496	49,701	(3,795)
Miscellaneous Income	-	-	90	90
Total Revenues	<u>2,023,454</u>	<u>2,005,936</u>	<u>2,017,607</u>	<u>11,671</u>
EXPENDITURES				
Current:				
Instruction	826,485	811,362	789,083	22,279
Support Services:				
Students	332,931	326,311	309,070	17,241
Instruction	14,503	22,082	13,854	8,228
General Administration	30,312	36,765	33,173	3,592
School Administration	211,137	217,968	206,804	11,164
Central Services	156,760	172,910	157,489	15,421
Operation & Maintenance of Plant	472,918	462,500	438,097	24,403
Other Support Services Operations	477,908	159,341	-	159,341
Food Services Operations	500	1,500	-	1,500
Capital outlay	-	354,501	-	354,501
Total Expenditures	<u>2,523,454</u>	<u>2,565,240</u>	<u>1,947,570</u>	<u>617,670</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(500,000)</u>	<u>(559,304)</u>	<u>70,037</u>	<u>629,341</u>
Other Financing Sources (Uses):				
Designated Cash	500,000	559,304	-	(559,304)
Total Other Financing Sources (Uses):	<u>500,000</u>	<u>559,304</u>	<u>-</u>	<u>(559,304)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>70,037</u>	<u>70,037</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>571,338</u>	<u>571,338</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>641,375</u>	<u>641,375</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 70,037	
Adjustments to Revenues			-	
Adjustments to Expenditures			(1,659)	
NET CHANGE IN FUND BALANCE			<u>\$ 68,378</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 11,281	9,513	12,644	3,131
Total Revenues	<u>11,281</u>	<u>9,513</u>	<u>12,644</u>	<u>3,131</u>
EXPENDITURES				
Current:				
Instruction	16,281	13,960	13,749	211
Total Expenditures	<u>16,281</u>	<u>13,960</u>	<u>13,749</u>	<u>211</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(5,000)</u>	<u>(4,447)</u>	<u>(1,105)</u>	<u>3,342</u>
Other Financing Sources (Uses):				
Designated Cash	5,000	4,447	-	(4,447)
Total Other Financing Sources (Uses):	<u>5,000</u>	<u>4,447</u>	<u>-</u>	<u>(4,447)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,105)</u>	<u>(1,105)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,307</u>	<u>4,307</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,202</u>	<u>3,202</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (1,105)	
Adjustments to Revenues			-	
Adjustments to Expenditures			140	
NET CHANGE IN FUND BALANCE			<u>\$ (965)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 60,000	60,000	54,110	(5,890)
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>54,110</u>	<u>(5,890)</u>
EXPENDITURES				
Current:				
Food Services Operations	60,000	60,739	50,512	10,227
Total Expenditures	<u>60,000</u>	<u>60,739</u>	<u>50,512</u>	<u>10,227</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(739)</u>	<u>3,598</u>	<u>4,337</u>
Other Financing Sources (Uses):				
Designated Cash	-	739	-	(739)
Total Other Financing Sources (Uses):	<u>-</u>	<u>739</u>	<u>-</u>	<u>(739)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,598</u>	<u>3,598</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>739</u>	<u>739</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,337</u>	<u>4,337</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 3,598	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 3,598</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 72,067	84,015	60,005	(24,010)
Total Revenues	<u>72,067</u>	<u>84,015</u>	<u>60,005</u>	<u>(24,010)</u>
EXPENDITURES				
Current:				
Instruction	72,067	83,015	83,015	-
Support Services:				
Students	-	1,000	203	797
Total Expenditures	<u>72,067</u>	<u>84,015</u>	<u>83,218</u>	<u>797</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(23,213)	(23,213)
Net Changes in Fund Balances	-	-	(23,213)	(23,213)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(23,213)</u>	<u>(23,213)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (23,213)	
Adjustments to Revenues			23,213	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 38,685	45,793	37,406	(8,387)
Total Revenues	<u>38,685</u>	<u>45,793</u>	<u>37,406</u>	<u>(8,387)</u>
EXPENDITURES				
Current:				
Instruction	38,685	13,293	13,293	-
Support Services:				
Students	-	32,500	10,433	22,067
Total Expenditures	<u>38,685</u>	<u>45,793</u>	<u>23,726</u>	<u>22,067</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>13,680</u>	<u>13,680</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>13,680</u>	<u>13,680</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>13,680</u>	<u>13,680</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 13,680	
Adjustments to Revenues			(13,680)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 9,057	16,567	6,475	(10,092)
Total Revenues	<u>9,057</u>	<u>16,567</u>	<u>6,475</u>	<u>(10,092)</u>
EXPENDITURES				
Current:				
Instruction	5,557	13,706	10,533	3,173
Support Services:				
School Administration	3,500	2,861	1,942	919
Total expenditures	<u>9,057</u>	<u>16,567</u>	<u>12,475</u>	<u>4,092</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(6,000)	(6,000)
Net changes in Fund Balances	-	-	(6,000)	(6,000)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(6,000)</u>	<u>(6,000)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (6,000)	
Adjustments to Revenues			6,000	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I School Improvement 24162
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 45,000	45,000	41,531	(3,469)
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>41,531</u>	<u>(3,469)</u>
EXPENDITURES				
Current:				
Instruction	45,000	45,000	40,823	4,177
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>40,823</u>	<u>4,177</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			708	708
Net changes in Fund Balances			<u>708</u>	<u>708</u>
Cash or Fund Balances - Beginning of Year			-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>708</u>	<u>708</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 708	
Adjustments to Revenues			(708)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 25152
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Support Services:				
Students	183	1,440	1,440	-
Total Expenditures	<u>183</u>	<u>1,440</u>	<u>1,440</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(183)</u>	<u>(1,440)</u>	<u>(1,440)</u>	<u>-</u>
Other Financing Sources (Uses):				
Designated Cash	183	1,440	-	(1,440)
Total Other Financing Sources (Uses):	<u>183</u>	<u>1,440</u>	<u>-</u>	<u>(1,440)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,440)</u>	<u>(1,440)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,440</u>	<u>1,440</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (1,440)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (1,440)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
CNM Foundation 26207
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	1,000	1,190	190
Total Revenues	<u>-</u>	<u>1,000</u>	<u>1,190</u>	<u>190</u>
EXPENDITURES				
Current:				
Instruction	-	1,044	958	86
Total Expenditures	<u>-</u>	<u>1,044</u>	<u>958</u>	<u>86</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(44)</u>	<u>232</u>	<u>276</u>
Other financing sources (uses):				
Designated Cash	-	44	-	(44)
Total other financing sources (uses):	<u>-</u>	<u>44</u>	<u>-</u>	<u>(44)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>232</u>	<u>232</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>44</u>	<u>44</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>276</u>	<u>276</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 232	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 232</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	1,254	1,011	(243)
Total Revenues	<u>-</u>	<u>1,254</u>	<u>1,011</u>	<u>(243)</u>
EXPENDITURES				
Current:				
Instruction	-	1,254	857	397
Total Expenditures	<u>-</u>	<u>1,254</u>	<u>857</u>	<u>397</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>154</u>	<u>154</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>154</u>	<u>154</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>154</u>	<u>154</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 154	
Adjustments to Revenues			(154)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
2012 GO Bond Student Library SB-66 27107
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	-	6,776	6,776
Total Revenues	<u>-</u>	<u>-</u>	<u>6,776</u>	<u>6,776</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	6,776	6,776
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>6,776</u>	<u>6,776</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>6,776</u>	<u>6,776</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 6,776	
Adjustments to Revenues			(6,776)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
GRADS 28190
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 8,000	11,500	13,836	2,336
Total Revenues	<u>8,000</u>	<u>11,500</u>	<u>13,836</u>	<u>2,336</u>
EXPENDITURES				
Current:				
Instruction	8,000	11,500	11,500	-
Total Expenditures	<u>8,000</u>	<u>11,500</u>	<u>11,500</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>2,336</u>	<u>2,336</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,336</u>	<u>2,336</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,336</u>	<u>2,336</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,336	
Adjustments to Revenues			(2,336)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
GRADS Plus 28203
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	8,000	2,076	(5,924)
Total Revenues	<u>-</u>	<u>8,000</u>	<u>2,076</u>	<u>(5,924)</u>
EXPENDITURES				
Current:				
Instruction	-	8,025	7,630	395
Total Expenditures	<u>-</u>	<u>8,025</u>	<u>7,630</u>	<u>395</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(25)</u>	<u>(5,554)</u>	<u>(5,529)</u>
Other financing sources (uses):				
Designated Cash	-	25	-	(25)
Total other financing sources (uses):	<u>-</u>	<u>25</u>	<u>-</u>	<u>(25)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,554)</u>	<u>(5,554)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>25</u>	<u>25</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,529)</u>	<u>(5,529)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (5,554)	
Adjustments to Revenues			5,554	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	149,827	149,827	-
Total Revenues	<u>-</u>	<u>149,827</u>	<u>149,827</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	149,827	149,827	-
Total Expenditures	<u>-</u>	<u>149,827</u>	<u>149,827</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay State 31400
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 8,808	69,225	76,801	7,576
Total Revenues	<u>8,808</u>	<u>69,225</u>	<u>76,801</u>	<u>7,576</u>
EXPENDITURES				
Capital Outlay	8,808	69,225	-	69,225
Total Expenditures	<u>8,808</u>	<u>69,225</u>	<u>-</u>	<u>69,225</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	76,801	76,801
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>76,801</u>	<u>76,801</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>76,801</u>	<u>76,801</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 76,801	
Adjustments to Revenues			(76,801)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Property Taxes	\$ 121,891	121,891	119,950	(1,941)
Total Revenues	<u>121,891</u>	<u>121,891</u>	<u>119,950</u>	<u>(1,941)</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	1,250	1,250	1,200	50
Capital Outlay	120,641	120,641	-	120,641
Total Expenditures	<u>121,891</u>	<u>121,891</u>	<u>1,200</u>	<u>120,691</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>118,750</u>	<u>118,750</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>118,750</u>	<u>118,750</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>118,750</u>	<u>118,750</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 118,750	
Adjustments to Revenues			1,666	
Adjustments to Expenditures			(16)	
NET CHANGE IN FUND BALANCE			<u>\$ 120,400</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 17,755	22,658	2,600	(20,058)
Total Revenues	<u>17,755</u>	<u>22,658</u>	<u>2,600</u>	<u>(20,058)</u>
EXPENDITURES				
Capital Outlay	17,755	22,658	2,600	20,058
Total Expenditures	<u>17,755</u>	<u>22,658</u>	<u>2,600</u>	<u>20,058</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Other Financing Sources (Uses):				
Transfers	-	-	(114,003)	(114,003)
Total Other Financing Sources (Uses):	-	-	<u>(114,003)</u>	<u>(114,003)</u>
Net Changes in Fund Balances	-	-	<u>(114,003)</u>	<u>(114,003)</u>
Cash or Fund Balances - Beginning of Year	-	-	<u>114,003</u>	<u>114,003</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ (114,003)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (114,003)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 (Local) 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 61,083	61,083	62,176	1,093
Total Revenues	<u>61,083</u>	<u>61,083</u>	<u>62,176</u>	<u>1,093</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	600	600	600	-
Capital Outlay	169,658	174,486	2,760	171,726
Total Expenditures	<u>170,258</u>	<u>175,086</u>	<u>3,360</u>	<u>171,726</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(109,175)</u>	<u>(114,003)</u>	<u>58,816</u>	<u>172,819</u>
Other Financing Sources (Uses):				
Transfers	109,175	114,003	114,003	-
Total Other Financing Sources (Uses):	<u>109,175</u>	<u>114,003</u>	<u>114,003</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>172,819</u>	<u>172,819</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>172,819</u>	<u>172,819</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ 172,819	
Adjustments to Revenues			992	
Adjustments to Expenditures			(9)	
NET CHANGE IN FUND BALANCE			<u>\$ 173,802</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Wells Fargo	FMAC FGPC 3.5%	31294MBP5	11/1/2025	\$ 165,589
Wells Fargo	FNMA FNMS 3.5%	3138ABHQ5	3/1/2026	219,421
Wells Fargo	FNMA FNMS 3%	31417ES69	1/1/2043	16,043
				<u>\$ 401,053</u>

Total Cash in Bank per Schedule of Cash Accounts:	\$	1,097,719
Less: FDIC coverage:		<u>(377,267)</u>
Uninsured Public Funds:		720,452
Collateral Requirement:		360,226
Pledged Collateral Held by Pledging Financial Institution:		<u>401,053</u>
Balance Over Collateralized:	\$	<u>40,827</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	\$	<u>319,399</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	Wells Fargo	Bank of Albuquerque	Total
Checking - Operational Account	\$ 967,537	-	967,537
Checking - Activity Account	2,915	-	2,915
Checking - Foundation	-	127,267	127,267
Total on Deposit	970,452	127,267	1,097,719
Reconciling Items	(46,667)	(33,682)	(80,349)
Reconciled Balance June 30, 2017	923,785	93,585	1,017,370
Less Agency Funds	(2,552)	-	(2,552)
Total Cash	\$ 921,233	93,585	1,014,818

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000
Cash, June 30, 2016	\$ 472,923	4,447	739	5,257
Add:				
2016-17 revenues	2,017,607	12,644	54,110	5,560
Total Cash Available	2,490,530	17,091	54,849	10,817
Less:				
2016-17 expenditures	(1,947,570)	(13,749)	(50,512)	(8,265)
Receivables/Payables	43,362	-	-	-
Cash transfers	-	-	-	-
Outstanding Loans	(55,709)	-	-	-
Cash June 30, 2017	530,613	3,342	4,337	2,552
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	91,094	-	-	-
Cash Per Books	621,707	3,342	4,337	2,552
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	18,009	-	-	(2,552)
Fund Balance, Modified Accrual Basis	\$ 639,716	3,342	4,337	-

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	Federal Direct Account 25000	Local Grant Account 26000	State Account 27000	State Direct Account 28000	Public School Capital Outlay 31200	Special Capital Outlay - State 31400
4,724	1,440	44	-	365	-	-
<u>145,417</u>	<u>-</u>	<u>1,190</u>	<u>7,787</u>	<u>15,912</u>	<u>149,827</u>	<u>76,801</u>
150,141	1,440	1,234	7,787	16,277	149,827	76,801
(160,242)	(1,440)	(958)	(857)	(19,130)	(149,827)	-
4,146	-	-	-	2	-	-
-	-	-	-	-	-	-
51,444	-	-	-	4,265	-	-
<u>45,489</u>	<u>-</u>	<u>276</u>	<u>6,930</u>	<u>1,414</u>	<u>-</u>	<u>76,801</u>
<u>(45,489)</u>	<u>-</u>	<u>-</u>	<u>(6,930)</u>	<u>(1,412)</u>	<u>-</u>	<u>(76,801)</u>
<u>-</u>	<u>-</u>	<u>276</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>276</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Cash Reconciliation (Continued)
June 30, 2017

	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	Capital Improvements SB-9 (Local) 31701	Total
Cash, June 30, 2016	\$ -	114,003	-	603,942
Add:				
2016-17 revenues	119,950	2,600	62,176	2,671,581
Total Cash Available	119,950	116,603	62,176	3,275,523
Less:				
2016-17 expenditures	(1,200)	(2,600)	(3,360)	(2,359,710)
Receivables/Payables	-	-	-	47,510
Cash transfers	-	(114,003)	114,003	-
Outstanding Loans	-	-	-	-
Cash June 30, 2017	118,750	-	172,819	963,323
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	-	-	-	(39,538)
Cash Per Books	118,750	-	172,819	923,785
			Less: Agency:	(2,552)
			Foundation:	93,585
				\$ 1,014,818
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	1,650	-	983	18,113
Fund Balance, Modified Accrual Basis	\$ 120,400	-	173,802	941,898
			Foundation:	93,585
				\$ 1,035,483

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2017

VOLUME V



**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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CIEN AGUAS INTERNATIONAL SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,099,412
Receivables	
Due from Government	156,814
Prepaid Expenses	13,612
Total Current Assets	<u>1,269,838</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	182,602
Building and Improvements	16,162
Less: Accumulated Depreciation	(95,414)
Total Noncurrent Assets	<u>103,350</u>

Total Assets 1,373,188

Deferred Outflows - Pension Related 1,080,840

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accrued Expenses	192,807
Total Current Liabilities	<u>192,807</u>

Noncurrent Liabilities:

Net Pension Liability	4,072,462
Total Noncurrent Liabilities	<u>4,072,462</u>

Total Liabilities 4,265,269

Deferred Inflows - Pension Related 38,734

NET POSITION (DEFICIT)

Investment in Capital Assets	103,350
Restricted	1,041,795
Unrestricted (Deficit)	(2,995,120)
Total Net Position (Deficit)	<u>\$ (1,849,975)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Statement of Activities
For The Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 2,599,066	57,423	266,895	-	(2,274,748)
Support Services:					
Students	216,159	-	3,582	-	(212,577)
Instruction	41,232	-	-	-	(41,232)
General Administration	40,735	-	-	-	(40,735)
School Administration	355,901	-	-	-	(355,901)
Central Services	117,230	-	-	-	(117,230)
Operation & Maintenance of Plant	342,999	-	-	-	(342,999)
Student Transportation	107,569	-	85,228	-	(22,341)
Food Services	87,347	34,031	55,237	-	1,921
Facilities Materials, Supplies & Other Services	402,877	-	-	300,724	(102,153)
Total Governmental Activities	\$ 4,311,115	91,454	410,942	300,724	(3,507,995)
General Revenues:					
Property Taxes					\$ 341,596
State Equalization Guarantee					2,751,852
Total General Revenues					<u>3,093,448</u>
Change in Net Position					(414,547)
Net Position (Deficit), Beginning					<u>(1,435,428)</u>
Net Position (Deficit), Ending					<u>\$ (1,849,975)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
ASSETS				
Cash and Cash Equivalents	\$ 57,617	-	23,056	25,024
Accounts Receivable				
Due from Government	-	-	-	-
Due from Other Funds	156,961	-	-	-
Prepaid Expenditures	13,612	-	-	-
Total Assets	\$ 228,190	-	23,056	25,024
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Expenditures	\$ 192,807	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	192,807	-	-	-
Fund Balances				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	13,612	-	-	-
Restricted for:				
Instruction	-	-	23,056	-
Food Service Operations	-	-	-	25,024
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	21,771	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balance	35,383	-	23,056	25,024
Total Liabilities and Fund Balances	\$ 228,190	-	23,056	25,024

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

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title XIX Medicaid 25153	Golden Apple Foundation 26163	2012 GO Bond Student Library 27107
-	-	-	1,641	86	-
49,410	30,820	14,888	-	-	2,198
-	-	-	-	-	-
-	-	-	-	-	-
<u>49,410</u>	<u>30,820</u>	<u>14,888</u>	<u>1,641</u>	<u>86</u>	<u>2,198</u>
-	-	-	-	-	-
49,410	30,820	14,888	-	-	2,198
<u>49,410</u>	<u>30,820</u>	<u>14,888</u>	<u>-</u>	<u>-</u>	<u>2,198</u>
-	-	-	-	-	-
-	-	-	1,641	86	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,641	86	-
<u>49,410</u>	<u>30,820</u>	<u>14,888</u>	<u>1,641</u>	<u>86</u>	<u>2,198</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Reads to Lead 27114	Teachers Hard to Staff Stipend 27195	Private Direct Grants 29102	Public School Capital Outlay 31200
ASSETS				
Cash and Cash Equivalents	\$ -	-	5,000	-
Accounts Receivable				
Due from Government	21,676	11,572	-	-
Due from Other Funds	-	-	-	-
Prepaid Expenditures	-	-	-	-
Total Assets	\$ 21,676	11,572	5,000	-
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Expenditures	\$ -	-	-	-
Due to Other Funds	21,676	11,572	-	-
Total Liabilities	21,676	11,572	-	-
Fund Balances				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	-	-	5,000	-
Food Service Operations	-	-	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balance	-	-	5,000	-
Total Liabilities and Fund Balances	\$ 21,676	11,572	5,000	-

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

Special Capital Outlay 31400	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
-	841,786	8,912	136,290	1,099,412
26,250	-	-	-	156,814
-	-	-	-	156,961
-	-	-	-	13,612
<u>26,250</u>	<u>841,786</u>	<u>8,912</u>	<u>136,290</u>	<u>1,426,799</u>
-	-	-	-	192,807
26,397	-	-	-	156,961
<u>26,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349,768</u>
-	-	-	-	13,612
-	-	-	-	29,783
-	-	-	-	25,024
-	841,786	8,912	136,290	986,988
-	-	-	-	21,771
(147)	-	-	-	(147)
<u>(147)</u>	<u>841,786</u>	<u>8,912</u>	<u>136,290</u>	<u>1,077,031</u>
<u>26,250</u>	<u>841,786</u>	<u>8,912</u>	<u>136,290</u>	<u>1,426,799</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 1,077,031**

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

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

Capital Assets	198,764	
Accumulated Depreciation	<u>(95,414)</u>	
		103,350

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds		1,080,840
--	--	-----------

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(38,734)
--	--	----------

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(4,072,462)</u>
--	--	--------------------

Net Position (Deficit)-Total Governmental Activities **\$ (1,849,975)**

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	4,902	-	-	-
State Grant	2,751,852	85,228	24,245	-
Federal Grant	-	-	-	55,237
Charges for Services	57,423	-	-	34,031
Total Revenues	2,814,177	85,228	24,245	89,268
EXPENDITURES				
Current:				
Instruction	2,039,218	-	23,814	-
Support Services:				
Students	185,347	-	-	-
Instruction	37,559	-	-	-
General Administration	40,735	-	-	-
School Administration	310,686	-	-	-
Central Services	102,918	-	-	-
Operation & Maintenance of Plant	328,095	-	-	-
Student Transportation	5,814	101,755	-	-
Food Services Operations	1,480	-	-	85,867
Capital Outlay	-	-	-	-
Total Expenditures	3,051,852	101,755	23,814	85,867
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(237,675)</u>	<u>(16,527)</u>	<u>431</u>	<u>3,401</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(237,675)</u>	<u>(16,527)</u>	<u>431</u>	<u>3,401</u>
Fund Balances - Beginning of Year	<u>273,058</u>	<u>16,527</u>	<u>22,625</u>	<u>21,623</u>
Fund Balances - End of Year	<u>\$ 35,383</u>	<u>-</u>	<u>23,056</u>	<u>25,024</u>

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title XIX Medicaid 25153	Golden Apple Foundation 26163	2012 GO Bond Student Library 27107
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	3,673
77,848	55,760	24,204	3,582	-	-
-	-	-	-	-	-
<u>77,848</u>	<u>55,760</u>	<u>24,204</u>	<u>3,582</u>	<u>-</u>	<u>3,673</u>
77,619	43,226	23,504	-	20	-
229	12,534	-	6,323	-	-
-	-	-	-	-	3,673
-	-	-	-	-	-
-	-	700	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>77,848</u>	<u>55,760</u>	<u>24,204</u>	<u>6,323</u>	<u>20</u>	<u>3,673</u>
-	-	-	(2,741)	(20)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(2,741)	(20)	-
-	-	-	4,382	106	-
-	-	-	1,641	86	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Statement of Revenues, Expenditures, and Changes In Fund Balances - Continued
Governmental Funds
For The Year Ended June 30, 2017**

	Reads to Lead 27114	Teachers Hard to Staff Stipend 27195	Private Direct Grants 29102	Public School Capital Outlay 31200
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	50,000	21,263	5,000	274,621
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	50,000	21,263	5,000	274,621
EXPENDITURES				
Current:				
Instruction	50,000	21,263	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	274,621
Total Expenditures	50,000	21,263	-	274,621
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	5,000	-
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	-	-	5,000	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	\$ -	-	5,000	-

The accompanying notes are an integral part of these financial statements

Special Capital Outlay 31400	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
-	228,736	-	112,860	341,596
-	-	-	-	4,902
26,103	-	-	-	3,241,985
-	-	-	-	216,631
-	-	-	-	91,454
<u>26,103</u>	<u>228,736</u>	<u>-</u>	<u>112,860</u>	<u>3,896,568</u>
-	-	-	-	2,278,664
-	-	-	-	204,433
-	-	-	-	41,232
-	-	-	-	40,735
-	-	-	-	311,386
-	-	-	-	102,918
-	-	-	-	328,095
-	-	-	-	107,569
-	-	-	-	87,347
<u>26,250</u>	<u>-</u>	<u>-</u>	<u>99,312</u>	<u>400,183</u>
<u>26,250</u>	<u>-</u>	<u>-</u>	<u>99,312</u>	<u>3,902,562</u>
<u>(147)</u>	<u>228,736</u>	<u>-</u>	<u>13,548</u>	<u>(5,994)</u>
<u>-</u>	<u>-</u>	<u>(122,742)</u>	<u>122,742</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>(122,742)</u>	<u>122,742</u>	<u>-</u>
<u>(147)</u>	<u>228,736</u>	<u>(122,742)</u>	<u>136,290</u>	<u>(5,994)</u>
<u>-</u>	<u>613,050</u>	<u>131,654</u>	<u>-</u>	<u>1,083,025</u>
<u>(147)</u>	<u>841,786</u>	<u>8,912</u>	<u>136,290</u>	<u>1,077,031</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (5,994)**

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 capital outlay exceeds depreciation for the period

Depreciation Expense (20,623)

Changes in deferred outflows of resources-pension related,
deferred inflows of resources-pension related, and the net
pension liability (387,930)

Change in Net Position-Total Governmental Activities **\$ (414,547)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 3,406</u>
Total Assets	<u><u>\$ 3,406</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 3,406</u>
Total Liabilities	<u><u>\$ 3,406</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 1,639	7,551	(5,784)	3,406
Total Assets	<u>\$ 1,639</u>	<u>7,551</u>	<u>(5,784)</u>	<u>3,406</u>
LIABILITIES				
Deposits Held for Others	\$ 1,639	7,551	(5,784)	3,406
Total Liabilities	<u>\$ 1,639</u>	<u>7,551</u>	<u>(5,784)</u>	<u>3,406</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Cien Aguas International School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Cien Aguas International School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Cien Aguas International School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Building Improvements	6 years
Furniture, Fixtures and Equipment	5-10 years

Capital assets for Cien Aguas International School are recorded in the Statement of Net Position.

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 New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 182,602	-	-	182,602
Building Improvements	16,162	-	-	16,162
<i>Total</i>	<u>198,764</u>	-	-	<u>198,764</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(67,607)	(17,929)	-	(85,536)
Building Improvements	(7,184)	(2,694)	-	(9,878)
<i>Total</i>	<u>(74,791)</u>	<u>(20,623)</u>	-	<u>(95,414)</u>
Capital Assets, Net	<u>\$ 123,973</u>	<u>(20,623)</u>	-	<u>103,350</u>

Depreciation expensed for the year ended June 30, 2016 was expensed to the following functions:

Instruction	\$ 3,025
Operation & Maintenance of Plant	14,904
Facilities Materials, Supplies & Other Services	<u>2,694</u>
Total	<u>\$ 20,623</u>

NOTE 3. COMMITMENTS AND LIABILITIES

Cien Aguas International School leases facilities under a long-term cancelable operating lease. Lease expense for the year ended June 30, 2017 was \$397,739. Cien Aguas International School's minimum future payments on this lease are as follows:

Year Ending June 30:	
2018	387,619
2019	403,283
2020	419,574
2021	<u>436,357</u>
Total	<u>\$ 1,646,833</u>

NOTE 4. RELATED PARTY TRANSACTIONS

A governing council member is employed by a company that provides services to the school. Payments to this vendor were approximately \$3,765 during the year.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Cien Aguas International School and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Cien Aguas International School paid employee and employer contributions of \$262,924 and \$224,640.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Cien Aguas International School reported a liability of \$4,072,462 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Cien Aguas International School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Cien Aguas International School’s proportion was 0.05659%, which was an increase of 0.00299% from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

For the year ended June 30, 2017, Cien Aguas International School recognized pension expense of \$652,088. As of June 30, 2017, Cien Aguas International School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,668	(38,734)
Changes in assumptions	82,899	-
Net difference between projected and actual earnings on pension plan investments	243,092	-
Changes in proportion and differences between the employer's contributions and proportionate share of contributions	474,257	-
Cien Aguas International School's contributions subsequent to measurement date	<u>262,924</u>	<u>-</u>
Ending balance	<u>\$ 1,080,840</u>	<u>(38,734)</u>

The amount \$262,924 reported as deferred outflows of resources related to pensions resulting from Cien Aguas International School 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2018	\$ 329,786
2019	235,907
2020	154,209
2021	<u>59,280</u>
	<u>\$ 779,182</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of Cien Aguas International School’s proportionate share of the net pension liability to changes in the discount rate. The following presents Cien Aguas International School’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what Cien Aguas International 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:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Cien Aguas International School’s proportionate share of the net pension liability	<u>\$ 5,393,881</u>	<u>4,072,462</u>	<u>2,976,057</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Cien Aguas International School owed \$85,014 to ERB for fiscal year 2017 contributions.

NOTE 6. DEFICIT FUND BALANCE

At June 30, 2017, the Special Capital Outlay Fund (31400) reported a deficit fund balance of \$147. This deficit will be recovered in future years through transfers from the Operational fund (11000).

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	30-Jun		
Fiscal Year	2017	2016	2015
Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)	0.06%	0.05%	0.05%
School's Proportionate Share of Net Pension Liability (Asset)	\$ 4,072	3,472	2,620
School's Covered-Employee Payroll	\$ 1,406	1,463	1,266
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	289.63%	237.24%	206.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Cien Aguas International School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ 242	212	263
Contributions in Relation to the Contractually Required Contribution	212	212	263
Annual contribution deficiency (excess)	\$ 30	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Cien Aguas International School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	2,200	2,300	100
State Grant	2,873,916	2,755,428	2,755,428	-
Miscellaneous	-	-	-	-
Charges for Services	53,000	60,203	62,939	2,736
Total Revenues	<u>2,926,916</u>	<u>2,817,831</u>	<u>2,820,667</u>	<u>2,836</u>
EXPENDITURES				
Current:				
Instruction	2,020,412	2,039,263	2,033,579	5,684
Support Services:				
Students	212,596	193,429	185,347	8,082
Instruction	35,000	37,560	37,559	1
General Administration	36,000	40,806	40,735	71
School Administration	329,106	310,515	310,686	(171)
Central Services	118,170	116,361	116,319	42
Operation & Maintenance of Plant	329,852	327,670	328,306	(636)
Student Transportation	-	5,815	5,814	1
Food Services Operations	3,500	1,500	1,480	20
Total Expenditures	<u>3,084,636</u>	<u>3,072,919</u>	<u>3,059,825</u>	<u>13,094</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(157,720)</u>	<u>(255,088)</u>	<u>(239,158)</u>	<u>15,930</u>
Other Financing Sources (Uses):				
Designated Cash	266,568	266,568	-	(266,568)
Total Other Financing Sources (Uses):	<u>266,568</u>	<u>266,568</u>	<u>-</u>	<u>(266,568)</u>
Net Change in Fund Balance	<u>108,848</u>	<u>11,480</u>	<u>(239,158)</u>	<u>(250,638)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>273,058</u>	<u>273,058</u>
Cash or Fund Balance - End of Year	<u>\$ 108,848</u>	<u>11,480</u>	<u>33,900</u>	<u>22,420</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (239,158)	
Adjustments to Revenues			(9,092)	
Adjustments to Expenditures			10,575	
NET CHANGE IN FUND BALANCE			<u>\$ (237,675)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 117,489	101,755	101,755	-
Total Revenues	117,489	101,755	101,755	-
EXPENDITURES				
Current:				
Student Transportation	117,489	101,755	101,755	-
Total Expenditures	117,489	101,755	101,755	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Cash or Fund Balance - Beginning of Year	-	-	16,527	16,527
Cash or Fund Balance - End of Year	\$ -	-	16,527	16,527
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			(16,527)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (16,527)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 20,557	18,235	6,010	(12,225)
Total Revenues	<u>20,557</u>	<u>18,235</u>	<u>6,010</u>	<u>(12,225)</u>
EXPENDITURES				
Current:				
Instruction	20,557	40,860	23,814	17,046
Total Expenditures	<u>20,557</u>	<u>40,860</u>	<u>23,814</u>	<u>17,046</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(22,625)</u>	<u>(17,804)</u>	<u>4,821</u>
Other Financing Sources (Uses):				
Designated Cash	22,625	22,625	-	(22,625)
Total Other Financing Sources (Uses):	<u>22,625</u>	<u>22,625</u>	<u>-</u>	<u>(22,625)</u>
Net Change in Fund Balance	<u>22,625</u>	<u>-</u>	<u>(17,804)</u>	<u>(17,804)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>22,625</u>	<u>22,625</u>
Cash or Fund Balance - End of Year	<u>\$ 22,625</u>	<u>-</u>	<u>4,821</u>	<u>4,821</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (17,804)	
Adjustments to Revenues			18,235	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 431</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 50,000	50,000	55,237	5,237
Charges for Services	29,000	32,256	34,031	1,775
Total Revenues	79,000	82,256	89,268	7,012
EXPENDITURES				
Current:				
Food Services Operations	81,754	106,633	85,867	20,766
Total Expenditures	81,754	106,633	85,867	20,766
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(2,754)</i>	<i>(24,377)</i>	<i>3,401</i>	<i>27,778</i>
Other Financing Sources (Uses):				
Designated Cash	21,623	21,623	-	(21,623)
Total Other Financing Sources (Uses):	21,623	21,623	-	(21,623)
Net Change in Fund Balance	18,869	(2,754)	3,401	6,155
Cash or Fund Balance - Beginning of Year	-	-	21,623	21,623
Cash or Fund Balance - End of Year	\$ 18,869	(2,754)	25,024	27,778
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 3,401	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 3,401	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 67,858	90,815	28,438	(62,377)
Total Revenues	<u>67,858</u>	<u>90,815</u>	<u>28,438</u>	<u>(62,377)</u>
EXPENDITURES				
Current:				
Instruction	67,858	90,315	77,619	12,696
Support Services:				
Students	-	500	229	271
Total Expenditures	<u>67,858</u>	<u>90,815</u>	<u>77,848</u>	<u>12,967</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(49,410)</u>	<u>(49,410)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(49,410)</u>	<u>(49,410)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(49,410)</u>	<u>(49,410)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (49,410)	
Adjustments to Revenues			49,410	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 44,241	60,586	24,940	(35,646)
Total Revenues	<u>44,241</u>	<u>60,586</u>	<u>24,940</u>	<u>(35,646)</u>
EXPENDITURES				
Current:				
Instruction	44,241	44,241	43,226	1,015
Support Services:				
Students	-	16,345	12,534	3,811
Total Expenditures	<u>44,241</u>	<u>60,586</u>	<u>55,760</u>	<u>4,826</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(30,820)</u>	<u>(30,820)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(30,820)</u>	<u>(30,820)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(30,820)</u>	<u>(30,820)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (30,820)	
Adjustments to Revenues			30,820	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 11,862	27,561	9,316	(18,245)
Total Revenues	11,862	27,561	9,316	(18,245)
EXPENDITURES				
Current:				
Instruction	10,000	25,699	23,504	2,195
Support Services:				
School Administration	1,862	1,862	700	1,162
Total expenditures	11,862	27,561	24,204	3,357
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(14,888)	(14,888)
Net change in Fund Balance	-	-	(14,888)	(14,888)
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	\$ -	-	(14,888)	(14,888)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (14,888)	
Adjustments to Revenues			14,888	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 25153
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	3,940	3,582	(358)
Total Revenues	<u>-</u>	<u>3,940</u>	<u>3,582</u>	<u>(358)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	8,322	6,323	1,999
Total Expenditures	<u>-</u>	<u>8,322</u>	<u>6,323</u>	<u>1,999</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(4,382)</u>	<u>(2,741)</u>	<u>1,641</u>
Other financing sources (uses):				
Designated Cash	4,382	4,382	-	(4,382)
Total other financing sources (uses):	<u>4,382</u>	<u>4,382</u>	<u>-</u>	<u>(4,382)</u>
Net Change in Fund Balance	<u>4,382</u>	<u>-</u>	<u>(2,741)</u>	<u>(2,741)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,382</u>	<u>4,382</u>
Cash or Fund Balance - End of Year	<u>\$ 4,382</u>	<u>-</u>	<u>1,641</u>	<u>1,641</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (2,741)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (2,741)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Golden Apple Foundation 26163
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	106	106	20	86
Total Expenditures	<u>106</u>	<u>106</u>	<u>20</u>	<u>86</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(106)</u>	<u>(106)</u>	<u>(20)</u>	<u>86</u>
Other financing sources (uses):				
Designated Cash	106	106	-	(106)
Total other financing sources (uses):	<u>106</u>	<u>106</u>	<u>-</u>	<u>(106)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(20)</u>	<u>(20)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>106</u>	<u>106</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>86</u>	<u>86</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (20)	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (20)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
2012 GO Bond Student Library 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 3,946	3,946	1,475	(2,471)
Total Revenues	<u>3,946</u>	<u>3,946</u>	<u>1,475</u>	<u>(2,471)</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	3,946	3,946	3,673	273
Total Expenditures	<u>3,946</u>	<u>3,946</u>	<u>3,673</u>	<u>273</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(2,198)	(2,198)
Net Change in Fund Balance	-	-	(2,198)	(2,198)
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,198)</u>	<u>(2,198)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (2,198)	
Adjustments to Revenues			2,198	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Reads to Lead 27114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	50,000	50,000	-
Total Revenues	-	50,000	50,000	-
EXPENDITURES				
Current:				
Instruction	-	50,000	50,000	-
Total Expenditures	-	50,000	50,000	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Teachers Hard to Staff Stipend 27195
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	21,263	9,691	(11,572)
Total Revenues	-	21,263	9,691	(11,572)
EXPENDITURES				
Current:				
Instruction	-	21,263	21,263	-
Total Expenditures	-	21,263	21,263	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(11,572)	(11,572)
Net Change in Fund Balance	-	-	(11,572)	(11,572)
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	\$ -	-	(11,572)	(11,572)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (11,572)	
Adjustments to Revenues			11,572	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	5,000	-	(5,000)
Total Revenues	-	5,000	-	(5,000)
EXPENDITURES				
Current:				
Support Services:				
Instruction	-	5,000	-	5,000
Total Expenditures	-	5,000	-	5,000
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			5,000	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 5,000	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	274,621	274,621	-
Total Revenues	<u>-</u>	<u>274,621</u>	<u>274,621</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	274,621	274,621	-
Total Expenditures	<u>-</u>	<u>274,621</u>	<u>274,621</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay 31400
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 412,282	224,660	-	(224,660)
Total Revenues	<u>412,282</u>	<u>224,660</u>	<u>-</u>	<u>(224,660)</u>
EXPENDITURES				
Capital Outlay	412,282	224,660	26,250	198,410
Total Expenditures	<u>412,282</u>	<u>224,660</u>	<u>26,250</u>	<u>198,410</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(26,250)</u>	<u>(26,250)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(26,250)</u>	<u>(26,250)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(26,250)</u>	<u>(26,250)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (26,250)	
Adjustments to Revenues			26,103	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (147)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 225,498	225,497	228,736	3,239
Total Revenues	<u>225,498</u>	<u>225,497</u>	<u>228,736</u>	<u>3,239</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	5,351	5,351	-	5,351
Capital Outlay	619,863	833,196	-	833,196
Total Expenditures	<u>625,214</u>	<u>838,547</u>	<u>-</u>	<u>838,547</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(399,716)</u>	<u>(613,050)</u>	<u>228,736</u>	<u>841,786</u>
Other Financing Sources (Uses):				
Designated Cash	613,050	613,050	-	(613,050)
Total Other Financing Sources (Uses):	<u>613,050</u>	<u>613,050</u>	<u>-</u>	<u>(613,050)</u>
Net Change in Fund Balance	<u>213,334</u>	<u>-</u>	<u>228,736</u>	<u>228,736</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>613,050</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ 213,334</u>	<u>-</u>	<u>841,786</u>	<u>228,736</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 228,736	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 228,736</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	9,397	8,912	(485)
Total Revenues	<u>-</u>	<u>9,397</u>	<u>8,912</u>	<u>(485)</u>
EXPENDITURES				
Capital Outlay	-	9,397	-	9,397
Total Expenditures	<u>-</u>	<u>9,397</u>	<u>-</u>	<u>9,397</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>8,912</u>	<u>8,912</u>
Other Financing Sources (Uses):				
Operating transfers	-	-	(122,742)	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>(122,742)</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(113,830)</u>	<u>8,912</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>131,654</u>	<u>131,654</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>17,824</u>	<u>140,566</u>
Reconciliation to GAAP Basis:				
<i>Net Change in Fund Balance</i>			\$ (113,830)	
Adjustments to Revenues			(8,912)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (122,742)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 113,003	113,003	112,860	(143)
Total Revenues	<u>113,003</u>	<u>113,003</u>	<u>112,860</u>	<u>(143)</u>
EXPENDITURES				
Capital Outlay	264,506	235,745	99,312	136,433
Total Expenditures	<u>264,506</u>	<u>235,745</u>	<u>99,312</u>	<u>136,433</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(151,503)</u>	<u>(122,742)</u>	<u>13,548</u>	<u>136,290</u>
Other Financing Sources (Uses):				
Operating transfers	-	-	122,742	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>122,742</u>	<u>-</u>
Net Change in Fund Balance	<u>(151,503)</u>	<u>(122,742)</u>	<u>136,290</u>	<u>136,290</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ (151,503)</u>	<u>(122,742)</u>	<u>136,290</u>	<u>136,290</u>
Reconciliation to GAAP Basis:				
<i>Net Change in Fund Balance</i>			\$ 136,290	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 136,290</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
US Bank	FHLMC POOL G13923	3128MCSLO	11/1/2025	\$ 340,924
US Bank	FHLMC POOL G13993	3128MCUS2	11/1/2025	128,448
US Bank	FNMA POOL MA3892 25DD	31418DKE1	9/1/2021	637,258
				<u>\$ 1,106,630</u>

Total Cash per Schedule of Cash Accounts:	\$ 1,131,987
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	881,987
Collateral Requirement:	440,994
Pledged Collateral Held by Pledging Financial Institution:	<u>1,106,630</u>
Balance Over Collateralized:	<u>\$ 665,636</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>US Bank</u>
Checking - Operational Account	\$ 1,069,377
Checking - Lunch Account	100
Checking - Walton Account	<u>62,510</u>
<i>Total on Deposit</i>	1,131,987
Reconciling Items	<u>(29,169)</u>
Reconciled Balance June 30, 2017	<u>1,102,818</u>
Less Agency Funds	<u>(3,406)</u>
<i>Total Cash</i>	<u><u>\$ 1,099,412</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ 279,313	33,054	22,625	21,623
Add:				
2016-17 Revenues	<u>2,820,667</u>	<u>101,755</u>	<u>6,010</u>	<u>89,268</u>
Total Cash Available	3,099,980	134,809	28,635	110,891
Less:				
2016-17 Expenditures	(3,059,825)	(101,755)	(23,814)	(85,867)
Receivables/Payables	192,807	-	-	-
Outstanding Loans	<u>(156,961)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>76,001</u>	<u>33,054</u>	<u>4,821</u>	<u>25,024</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(18,384)</u>	<u>(33,054)</u>	<u>18,235</u>	<u>-</u>
Cash Per Books	<u>57,617</u>	<u>-</u>	<u>23,056</u>	<u>25,024</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(22,234)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Modified Accrual Basis	<u>\$ 35,383</u>	<u>-</u>	<u>23,056</u>	<u>25,024</u>

The accompanying notes are an integral part of these financial statements

Non-Instruct. Fund 23000	Federal Projects Account 24000	Federal Direct Account 25000	Local Account 26000	State Account 27000	Combined Local/State Account 29000
1,639	-	4,382	106	-	-
7,551	62,694	3,582	-	61,166	-
9,190	62,694	7,964	106	61,166	-
(5,784)	(157,812)	(6,323)	(20)	(74,936)	-
-	-	-	-	-	-
-	95,118	-	-	35,446	-
3,406	-	1,641	86	21,676	-
-	-	-	-	(21,676)	5,000
3,406	-	1,641	86	-	5,000
(3,406)	-	-	-	-	-
-	-	1,641	86	-	5,000

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Cash Reconciliation - continued
June 30, 2017

	Public School Capital Outlay <u>31200</u>	Special Capital Outlay <u>31400</u>	HB-33 Capital Improvements <u>31600</u>	SB-9 Capital Improvements <u>31700</u>
Cash, June 30, 2016	\$ -	-	613,049	122,742
Add:				
2016-17 Revenues	-	-	228,736	8,912
Total Cash Available	<u>-</u>	<u>-</u>	<u>841,785</u>	<u>131,654</u>
Less:				
2016-17 Expenditures	-	(26,250)	-	-
Receivables/Payables	-	-	-	-
Outstanding Loans	-	26,397	-	-
Cash June 30, 2017	<u>-</u>	<u>147</u>	<u>841,785</u>	<u>131,654</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	-	(147)	1	(122,742)
Cash Per Books	<u>-</u>	<u>-</u>	<u>841,786</u>	<u>8,912</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	-	(147)	-	-
Fund Balance, Modified Accrual Basis	<u>\$ -</u>	<u>(147)</u>	<u>841,786</u>	<u>8,912</u>

The accompanying notes are an integral part of these financial statements

SB-9 Capital Improvements Local 31701	Total
-	1,098,533
<u>112,860</u>	<u>3,503,201</u>
112,860	4,601,734
(99,312)	(3,641,698)
-	192,807
-	-
<u>13,548</u>	<u>1,152,843</u>
<u>122,742</u>	<u>(50,025)</u>
<u>136,290</u>	<u>1,102,818</u>
Less: Agency Fund	(3,406)
	<u>\$ 1,099,412</u>
-	(25,787)
<u>136,290</u>	<u>1,077,031</u>

CORAL COMMUNITY CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 77,502
Receivables	
Due from Other Governments	98,466
Total Current Assets	<u>175,968</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	96,845
Less: Accumulated Depreciation	<u>(60,774)</u>
Total Noncurrent Assets	<u>36,071</u>

Total Assets	<u>212,039</u>
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Deferred Outflows-Pension related	<u>1,056,211</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accrued Liabilities	<u>13,666</u>
Total Current Liabilities	<u>13,666</u>

Noncurrent Liabilities:

Net Pension Liability	<u>2,210,025</u>
Total Noncurrent Liabilities	<u>2,210,025</u>

Total Liabilities	<u>2,223,691</u>
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Deferred Inflows-Pension related	<u>21,020</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	36,071
Restricted	128,609
Unrestricted (Deficit)	<u>(1,141,141)</u>
Total Net Position (Deficit)	<u>\$ (976,461)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Statement of Activities
For The Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 1,693,273	-	468,980	-	(1,224,293)
Support Services:					
Students	72,018	-	34,804	-	(37,214)
Instruction	5,401	-	-	-	(5,401)
General Administration	7,244	-	2,437	-	(4,807)
School Administration	281,659	-	25,341	-	(256,318)
Central Services	178,398	-	8,466	-	(169,932)
Operation & Maintenance of Plant	158,962	-	2,570	-	(156,392)
Food Services Operations	66,624	17,643	41,799	-	(7,182)
Facilities Materials, Supplies & Other Services	191,854	-	-	148,354	(43,500)
Total Governmental Activities	\$ 2,655,433	17,643	584,397	148,354	(1,905,039)
			General Revenues:		
			Property Taxes	\$ 163,486	
			State Equalization Guarantee	1,375,199	
			Total General Revenues	1,538,685	
			Change in Net Position		(366,354)
			Net Position (Deficit), Beginning		(610,107)
			Net Position (Deficit), Ending		\$ (976,461)

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ -	3,672	1,282	-
Accounts Receivable				
Due from Other Governments	-	-	-	2,030
Due from Other Funds	46,557	-	-	-
Total Assets	<u>\$ 46,557</u>	<u>3,672</u>	<u>1,282</u>	<u>2,030</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Expenditures	\$ 12,864	-	103	14
Due to Other Funds	-	-	-	2,016
Total Liabilities	<u>12,864</u>	<u>-</u>	<u>103</u>	<u>2,030</u>
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	3,672	-	-
Food Service Operations	-	-	1,179	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	33,693	-	-	-
Total Fund Balance	<u>33,693</u>	<u>3,672</u>	<u>1,179</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 46,557</u>	<u>3,672</u>	<u>1,282</u>	<u>2,030</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Preschool IDEA-B Entitlement 24109	Teacher Principal Training 24154	Center for Teacher Excellence 27114	PreK Initiative 27149	K-3 Plus Summer 27166
-	-	-	-	-	-
21,244	956	-	19,072	52,913	-
-	-	-	-	-	-
<u>21,244</u>	<u>956</u>	<u>-</u>	<u>19,072</u>	<u>52,913</u>	<u>-</u>
-	-	-	287	398	-
21,244	956	-	18,785	52,515	-
<u>21,244</u>	<u>956</u>	<u>-</u>	<u>19,072</u>	<u>52,913</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,244</u>	<u>956</u>	<u>-</u>	<u>19,072</u>	<u>52,913</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Balance Sheets - Governmental Funds - (Continued)
June 30, 2017

	Public School Capital Outlay 31200	HB 33 Capital Improvements 31600	SB 9 Capital Improvements 31700	SB 9 Capital Improvements (Local) 31701	Total
ASSETS					
Cash and Cash Equivalents	\$ -	57,301	-	15,247	77,502
Accounts Receivable					
Due from Other Governments	-	1,449	-	802	98,466
Due from Other Funds	-	48,959	-	-	95,516
Total Assets	\$ -	107,709	-	16,049	271,484
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accrued Expenditures	\$ -	-	-	-	13,666
Due to Other Funds	-	-	-	-	95,516
Total Liabilities	-	-	-	-	109,182
Fund Balances					
Fund Balance:					
Restricted for:					
Instruction	-	-	-	-	3,672
Food Service Operations	-	-	-	-	1,179
Capital Improvements	-	107,709	-	16,049	123,758
Assigned to:					
Subsequent Years Expenditures and Other Programs	-	-	-	-	33,693
Total Fund Balance	-	107,709	-	16,049	162,302
Total Liabilities and Fund Balances	\$ -	107,709	-	16,049	271,484

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 162,302**

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

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

Capital Assets	96,845	
Accumulated Depreciation	(60,774)	
		36,071

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.	1,056,211
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	(21,020)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(2,210,025)
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Net Position (Deficit)-Total Governmental Activities	<u>\$ (976,461)</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	1,375,199	12,976	-	-
Federal Grant	-	-	41,799	29,965
Charges for Services	-	-	17,643	-
Total Revenues	<u>1,375,199</u>	<u>12,976</u>	<u>59,442</u>	<u>29,965</u>
EXPENDITURES				
Current:				
Instruction	908,865	11,887	-	29,965
Support Services:				
Students	33,049	-	-	-
Instruction	-	-	-	-
General Administration	4,807	-	-	-
School Administration	202,177	-	-	-
Central Services	140,779	-	-	-
Operation & Maintenance of Plant	148,063	-	-	-
Food Services Operations	458	-	62,001	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,438,198</u>	<u>11,887</u>	<u>62,001</u>	<u>29,965</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(62,999)</u>	<u>1,089</u>	<u>(2,559)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(62,999)</u>	<u>1,089</u>	<u>(2,559)</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>96,692</u>	<u>2,583</u>	<u>3,738</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 33,693</u>	<u>3,672</u>	<u>1,179</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Preschool IDEA-B Entitlement 24109	Teacher Principal Training 24154	Center for Teacher Excellence 27114	PreK Initiative 27149	K-3 Plus Summer 27166
-	-	-	-	-	-
-	-	-	174,576	216,253	71,461
31,848	956	4,563	-	-	-
-	-	-	-	-	-
<u>31,848</u>	<u>956</u>	<u>4,563</u>	<u>174,576</u>	<u>216,253</u>	<u>71,461</u>
-	-	4,563	174,576	199,444	47,456
31,848	956	-	-	2,000	-
-	-	-	-	-	-
-	-	-	-	2,437	-
-	-	-	-	12,372	12,969
-	-	-	-	-	8,466
-	-	-	-	-	2,570
-	-	-	-	-	-
-	-	-	-	-	-
<u>31,848</u>	<u>956</u>	<u>4,563</u>	<u>174,576</u>	<u>216,253</u>	<u>71,461</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Public School Capital Outlay 31200	HB 33 Capital Improvements 31600	SB 9 Capital Improvements 31700	SB 9 Capital Improvements (Local) 31701	Total
REVENUES					
Property Taxes	\$ -	107,709	-	55,777	163,486
State Grant	148,354	-	-	-	1,998,819
Federal Grant	-	-	-	-	109,131
Charges for Services	-	-	-	-	17,643
Total Revenues	<u>148,354</u>	<u>107,709</u>	<u>-</u>	<u>55,777</u>	<u>2,289,079</u>
EXPENDITURES					
Current:					
Instruction	-	-	-	-	1,376,756
Support Services:					
Students	-	-	-	-	67,853
Instruction	-	-	-	-	-
General Administration	-	-	-	-	7,244
School Administration	-	-	-	-	227,518
Central Services	-	-	-	-	149,245
Operation & Maintenance of Plant	-	-	-	-	150,633
Food Services Operations	-	-	-	-	62,459
Capital Outlay	148,354	-	-	43,500	191,854
Total Expenditures	<u>148,354</u>	<u>-</u>	<u>-</u>	<u>43,500</u>	<u>2,233,562</u>
<i>Excess (Deficiency) of Revenues</i>					
<i>Over (Under) Expenditures</i>	-	107,709	-	12,277	43,240
Other financing sources (uses):					
Transfers in (out)	-	-	(3,772)	3,772	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>(3,772)</u>	<u>3,772</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>107,709</u>	<u>(3,772)</u>	<u>16,049</u>	<u>55,517</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,772</u>	<u>-</u>	<u>106,785</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>107,709</u>	<u>-</u>	<u>16,049</u>	<u>162,302</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 55,517**

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

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 capital outlay exceeds depreciation for the period

Capital Outlays	12,408	
Depreciation Expense	<u>(17,809)</u>	(5,401)

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability		<u>(416,470)</u>
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Change in Net Position-Total Governmental Activities **\$ (366,354)**

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Coral Community Charter School’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Coral Community Charter School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Coral Community Charter School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
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Capital assets for Coral Community Charter School are recorded in the Statement of Net Position.

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 New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 84,437	12,408	-	96,845
<i>Total</i>	84,437	12,408	-	96,845
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(42,965)	(17,809)	-	(60,774)
<i>Total</i>	(42,965)	(17,809)	-	(60,774)
Capital Assets, Net	\$ 41,472	(5,401)	-	36,071

Depreciation expensed for the year ended June 30, 2017 was expensed to the following function:

Instruction	\$ 17,809
Total	<u>\$ 17,809</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND CONTINGENCIES

Coral Community Charter School leases their current location from the Coral Foundation for Excellence in Education (the "Foundation"). Coral Community Charter School renewed their lease agreement with the Foundation in August 2017 for the 2017-2018 school year. The term of the lease is from August 2017-July 2018.

Coral Community Charter School will lease the facilities under an annual leases agreement with the Foundation. Rental expenses for the year ended June 30, 2017 were \$148,354. Coral Community Charter School's minimum future payments on the new lease are as follows:

Year Ending June 30:	
2018	\$ 180,000
2019	15,000
Total	<u>\$ 195,000</u>

NOTE 4. RELATED PARTY TRANSACTIONS

Coral Community Charter School has an agreement with the Foundation to lease a building (see Note 3). The Foundation's activity during the year ending June 30, 2017 was not significant and has not been presented.

The father of the Coral Community Charter School business manager is employed by a vendor of the School who provided various services for the School. Coral Community Charter School paid this vendor for services provided by the father of the business manager.

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Coral Community Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Coral Community Charter School paid employee and employer contributions of \$167,914 and \$121,387.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Coral Community Charter School reported a liability of \$2,210,025 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Coral Community Charter School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Coral Community Charter School’s proportion was 0.03071%, which was an increase of 0.00673% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Coral Community Charter School recognized pension expense of \$585,423. As of June 30, 2017, Coral Community Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,589	(21,020)
Changes in assumptions	44,987	-
Net difference between projected and actual earnings on pension plan investments	131,920	-
Changes in proportion and differences between Coral Community Charter School’s contributions and proportionate share of contributions	701,801	-
Coral Community Charter School’s contributions subsequent to the measurement date	167,914	-
Total	\$ 1,056,211	(21,020)

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$167,914 reported as deferred outflows of resources related to pensions resulting from Coral Community Charter School contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 401,992
2019	282,628
2020	150,486
2021	<u>32,171</u>
Total	<u>\$ 867,277</u>

Sensitivity of Coral Community Charter School's proportionate share of the net pension liability to changes in the discount rate. The following presents the Coral Community Charter Schools proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Coral Community Charter 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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Coral Community Charter School's proportionate share of the net pension liability	<u>\$ 2,927,126</u>	<u>2,210,025</u>	<u>1,615,033</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Coral Community Charter School had no payable recorded related to ERB for fiscal year 2017 contributions.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	Fiscal Year	30-Jun		
		2017	2016	2015
	Measurement Date	2016	2015	2014
Coral Community Charter School's Proportion of the Net Pension Liability (Asset)		0.03071%	0.02398%	0.01661%
Coral Community Charter School's Proportionate Share of Net Pension Liability (Asset)	\$	2,210	1,553	869
Coral Community Charter School's Covered-Employee Payroll	\$	842	655	420
Coral Community Charter School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	237.14%	207.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Coral Community Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ 108	95	168
Contributions in Relation to the Contractually Required Contribution	95	95	168
Annual contribution deficiency (excess)	\$ 13	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Coral Community Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 1,473,876	1,374,899	1,375,199	300
Total Revenues	<u>1,473,876</u>	<u>1,374,899</u>	<u>1,375,199</u>	<u>300</u>
EXPENDITURES				
Current:				
Instruction	1,025,830	922,137	909,473	12,664
Support Services:				
Students	29,665	36,802	33,049	3,753
General Administration	25,000	22,648	19,215	3,433
School Administration	227,699	207,212	202,177	5,035
Central Services	138,050	141,134	140,779	355
Operation & Maintenance of Plant	148,592	154,787	148,063	6,724
Other Support Services Operations	-	17,500	17,500	-
Food Services Operations	8,361	2,000	458	1,542
Total Expenditures	<u>1,603,197</u>	<u>1,504,220</u>	<u>1,470,714</u>	<u>33,506</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(129,321)</u>	<u>(129,321)</u>	<u>(95,515)</u>	<u>33,806</u>
Other Financing Sources (Uses):				
Designated Cash	96,692	96,692	-	(96,692)
Total Other Financing Sources (Uses):	<u>96,692</u>	<u>96,692</u>	<u>-</u>	<u>(96,692)</u>
Net Changes in Fund Balances	<u>(32,629)</u>	<u>(32,629)</u>	<u>(95,515)</u>	<u>(62,886)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>96,692</u>	<u>96,692</u>
Cash or Fund Balances - End of Year	<u>\$ (32,629)</u>	<u>(32,629)</u>	<u>1,177</u>	<u>33,806</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (95,515)	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>32,516</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (62,999)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 9,892	9,374	12,976	3,602
Total Revenues	9,892	9,374	12,976	3,602
EXPENDITURES				
Current:				
Instruction	9,892	11,957	11,887	70
Total Expenditures	9,892	11,957	11,887	70
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(2,583)	1,089	3,672
Other Financing Sources (Uses):				
Designated Cash	-	2,583	-	(2,583)
Total Other Financing Sources (Uses):	-	2,583	-	(2,583)
Net Changes in Fund Balances	-	-	1,089	1,089
Cash or Fund Balances - Beginning of Year	-	-	2,583	2,583
Cash or Fund Balances - End of Year	\$ -	-	3,672	3,672
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 1,089	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 1,089	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 33,602	42,002	41,799	(203)
Charges for Services	11,000	20,000	17,643	(2,357)
Total Revenues	44,602	62,002	59,442	(2,560)
EXPENDITURES				
Current:				
Food Services Operations	44,602	56,980	57,094	(114)
Total Expenditures	44,602	56,980	57,094	(114)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	5,022	2,348	(2,674)
Net Changes in Fund Balances	-	5,022	2,348	(2,674)
Cash or Fund Balances - Beginning of Year	-	-	3,738	3,738
Cash or Fund Balances - End of Year	\$ -	5,022	6,086	1,064
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,348	
Adjustments to Revenues			-	
Adjustments to Expenditures			(4,907)	
NET CHANGE IN FUND BALANCE			\$ (2,559)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 29,758	57,345	31,089	(26,256)
Total Revenues	<u>29,758</u>	<u>57,345</u>	<u>31,089</u>	<u>(26,256)</u>
EXPENDITURES				
Current:				
Instruction	29,758	57,345	29,965	27,380
Total Expenditures	<u>29,758</u>	<u>57,345</u>	<u>29,965</u>	<u>27,380</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	1,124	1,124
Net Changes in Fund Balances	-	-	1,124	1,124
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,124</u>	<u>1,124</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 1,124	
Adjustments to Revenues			(1,124)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 20,367	31,849	19,311	(12,538)
Total Revenues	<u>20,367</u>	<u>31,849</u>	<u>19,311</u>	<u>(12,538)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	20,367	31,849	31,848	1
Total Expenditures	<u>20,367</u>	<u>31,849</u>	<u>31,848</u>	<u>1</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(12,537)	(12,537)
Net Changes in Fund Balances	-	-	(12,537)	(12,537)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(12,537)</u>	<u>(12,537)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (12,537)	
Adjustments to Revenues			12,537	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Preschool IDEA-B Entitlement 24109
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	956	-	(956)
Total Revenues	-	956	-	(956)
EXPENDITURES				
Current:				
Support Services:				
Students	-	956	956	-
Total Expenditures	-	956	956	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(956)	(956)
Net Changes in Fund Balances	-	-	(956)	(956)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(956)	(956)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (956)	
Adjustments to Revenues			956	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 4,563	16,469	4,563	(11,906)
Total Revenues	<u>4,563</u>	<u>16,469</u>	<u>4,563</u>	<u>(11,906)</u>
EXPENDITURES				
Current:				
Instruction	4,563	16,469	4,563	11,906
Total Expenditures	<u>4,563</u>	<u>16,469</u>	<u>4,563</u>	<u>11,906</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Center for Teacher Excellence 27114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 114,000	175,000	177,724	2,724
Total Revenues	<u>114,000</u>	<u>175,000</u>	<u>177,724</u>	<u>2,724</u>
EXPENDITURES				
Current:				
Support Services:				
Students	3,388	3,388	-	3,388
Total Expenditures	<u>3,388</u>	<u>3,388</u>	<u>-</u>	<u>3,388</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>110,612</u>	<u>171,612</u>	<u>177,724</u>	<u>6,112</u>
Net Changes in Fund Balances	<u>110,612</u>	<u>171,612</u>	<u>177,724</u>	<u>6,112</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 110,612</u>	<u>171,612</u>	<u>177,724</u>	<u>6,112</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 177,724	
Adjustments to Revenues			(3,148)	
Adjustments to Expenditures			<u>(174,576)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
PreK Initiative 27149
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 83,361	243,671	170,619	(73,052)
Total Revenues	<u>83,361</u>	<u>243,671</u>	<u>170,619</u>	<u>(73,052)</u>
EXPENDITURES				
Current:				
Instruction	83,361	224,871	199,444	25,427
Support Services:				
Students	-	2,000	2,000	-
General Administration	-	-	2,437	(2,437)
School Administration	-	16,800	12,372	4,428
Total Expenditures	<u>83,361</u>	<u>243,671</u>	<u>216,253</u>	<u>27,418</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(45,634)	(45,634)
Net Changes in Fund Balances	-	-	(45,634)	(45,634)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(45,634)</u>	<u>(45,634)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (45,634)	
Adjustments to Revenues			45,634	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
K-3 Plus Summer 27166
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 51,193	71,785	71,461	(324)
Total Revenues	<u>51,193</u>	<u>71,785</u>	<u>71,461</u>	<u>(324)</u>
EXPENDITURES				
Current:				
Instruction	42,655	47,669	47,456	213
Support Services:				
School Administration	-	13,077	12,969	108
Central Services	8,538	8,468	8,466	2
Operation & Maintenance of Plant	-	2,571	2,570	1
Total Expenditures	<u>51,193</u>	<u>71,785</u>	<u>71,461</u>	<u>324</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Public Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	148,354	148,354	-
Total Revenues	<u>-</u>	<u>148,354</u>	<u>148,354</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	148,354	148,354	-
Total Expenditures	<u>-</u>	<u>148,354</u>	<u>148,354</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
HB 33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	109,702	106,259	(3,443)
Total Revenues	-	109,702	106,259	(3,443)
EXPENDITURES				
Capital Outlay	-	109,702	-	109,702
Total Expenditures	-	109,702	-	109,702
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	106,259	106,259
Net Changes in Fund Balances	-	-	106,259	106,259
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	106,259	106,259
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 106,259	
Adjustments to Revenues			1,450	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 107,709	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ 8,668	8,668	-	(8,668)
Total Revenues	<u>8,668</u>	<u>8,668</u>	<u>-</u>	<u>(8,668)</u>
EXPENDITURES				
Capital Outlay	8,668	8,668	-	8,668
Total Expenditures	<u>8,668</u>	<u>8,668</u>	<u>-</u>	<u>8,668</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Operating transfers	-	-	(3,772)	(3,772)
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>(3,772)</u>	<u>(3,772)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,772)</u>	<u>(3,772)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,772</u>	<u>3,772</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ (3,772)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (3,772)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements (Local) 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ 54,975	54,975	54,976	1
Total Revenues	54,975	54,975	54,976	1
EXPENDITURES				
Capital Outlay	54,975	54,975	43,500	11,475
Total Expenditures	54,975	54,975	43,500	11,475
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	11,476	11,476
Other financing sources (uses):				
Operating transfers	-	-	3,772	3,772
Total other financing sources (uses):	-	-	3,772	3,772
Net Changes in Fund Balances	-	-	15,248	15,248
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	15,248	15,248
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ 15,248	
Adjustments to Revenues			801	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 16,049	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
N/A	N/A	N/A	N/A	\$ -
				<u>\$ -</u>

Total Cash per Schedule of Cash Accounts:	\$	108,201
Less: FDIC coverage:		<u>(108,201)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		<u>-</u>
Balance Over Collateralized:	\$	<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 108,201
<i>Total on Deposit</i>	108,201
Reconciling Items	<u>(30,699)</u>
Reconciled Balance June 30, 2017	<u>77,502</u>
<i>Total Cash</i>	<u><u>\$ 77,502</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Federal Projects Account 24000
Cash, June 30, 2016	\$ 76,473	2,583	3,738	-
Add:				
2016-17 revenues	1,375,199	12,976	59,442	54,963
Total Cash Available	1,451,672	15,559	63,180	54,963
Less:				
2016-17 expenditures	(1,470,714)	(11,887)	(57,094)	(67,332)
Receivables/Payables	12,864	-	103	14
Outstanding Loans	(46,557)	-	-	24,216
Cash June 30, 2017	(52,735)	3,672	6,189	11,861
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	52,735	-	(4,907)	(11,861)
Cash Per Books	-	3,672	1,282	-
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	33,693	-	(103)	-
Fund Balance (Deficit), Modified Accrual Basis	\$ 33,693	3,672	1,179	-

The accompanying notes are an integral part of these financial statements

State Account 27000	Public School Capital Outlay 31200	HB 33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements (Local) 31701	Total
1,545	-	-	3,772	-	88,111
419,804	148,354	106,259	-	54,976	2,231,973
421,349	148,354	106,259	3,772	54,976	2,320,084
287,714	(148,354)	-	-	(43,500)	(1,511,167)
685	-	-	-	-	13,666
71,300	-	(48,959)	-	-	-
781,048	-	57,300	3,772	11,476	822,583
(781,048)	-	1	(3,772)	3,771	(745,081)
-	-	57,301	-	15,247	77,502
-	-	50,408	-	802	84,800
-	-	107,709	-	16,049	162,302

COTTONWOOD CLASSICAL PREPARATORY

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,667,477
Receivables	
Due from Other Governments	74,187
Taxes Receivable	9,271
Other Receivables	3,751
Due from Agency Funds	26,045
Prepaid Expenditures	<u>13,298</u>
Total Current Assets	<u>1,794,029</u>

Noncurrent Assets:

Capital Assets	
Land and Land Improvements	3,172,430
Building and Improvements	5,770,204
Furniture, Fixtures, and Equipment	43,564
Less: Accumulated Depreciation	<u>(593,307)</u>
Total Noncurrent Assets	<u>8,392,891</u>

Total Assets **10,186,920**

Deferred Outflows - Pension Related **1,653,415**

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	35,184
Accrued Liabilities	382,816
Accrued Interest Payable	52,631
Current Portion of Long-Term Debt	<u>180,000</u>
Total Current Liabilities	<u>650,631</u>

Noncurrent Liabilities:

Long-Term Debt	10,100,000
Net Pension Liability	<u>6,527,885</u>
Total Noncurrent Liabilities	<u>16,627,885</u>

Total Liabilities **17,278,516**

Deferred Inflows - Pension Related **62,088**

NET POSITION (DEFICIT)

Net Investment in Capital Assets	(1,887,109)
Restricted	1,489,938
Unrestricted (Deficit)	<u>(5,103,098)</u>
Total Net Position (Deficit)	<u><u>\$ (5,500,269)</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 3,883,523	32,620	197,175	-	(3,653,728)
Support Services:					
Students	355,416	-	-	-	(355,416)
Instruction	48,536	-	-	-	(48,536)
General Administration	182,103	-	-	-	(182,103)
School Administration	391,683	-	-	-	(391,683)
Central Services	177,977	-	-	-	(177,977)
Operation & Maintenance of Plant	444,458	-	-	-	(444,458)
Other Support Services	303,435	-	-	-	(303,435)
Student Transportation	1,388	-	246,500	-	245,112
Facilities Materials, Supplies & Other Services	1,674,077	-	-	514,639	(1,159,438)
Total Governmental Activities	\$ 7,462,596	32,620	443,675	514,639	(6,471,662)
General Revenues:					
					\$ 644,354
					4,271,401
					940,699
					<u>5,856,454</u>
					(615,208)
					Net Position (Deficit) - Beginning (4,885,061)
					<u>Net position (Deficit), Ending \$ (5,500,269)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154
ASSETS						
Cash and Cash Equivalents	\$ 198,094	-	87,586	-	-	-
Accounts Receivable						
Due from Governments	-	-	-	-	68,261	626
Taxes Receivable	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Due from Other Funds	155,759	-	-	-	-	-
Prepaid Expenditures	13,298	-	-	-	-	-
Total Assets	367,151	-	87,586	-	68,261	626
LIABILITIES AND FUND BALANCES						
<i>Liabilities:</i>						
Accounts Payable	30,051	-	2,475	-	-	-
Accrued Expenditures	380,776	-	-	-	1,408	-
Due to Other Funds	-	56,935	-	-	66,853	626
Total Liabilities	410,827	56,935	2,475	-	68,261	626
<i>Fund Balances</i>						
Fund Balance:						
Nonspendible:						
Prepaid Expenditures	13,298	-	-	-	-	-
Restricted for:						
Instruction	-	-	85,111	-	-	-
Capital Improvements	-	-	-	-	-	-
Unassigned	(56,974)	(56,935)	-	-	-	-
Total Fund Balance	(43,676)	(56,935)	85,111	-	-	-
Total Liabilities and Fund Balances	\$ 367,151	-	87,586	-	68,261	626

The accompanying notes are an integral part of these financial statements

USHHS/CDC School Health 24186	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Ad Valorem 31701	Foundation	Total
-	-	54,473	-	57,236	1,270,088	1,667,477
5,300	-	-	-	-	-	74,187
-	-	5,856	3,415	-	-	9,271
-	-	-	-	-	3,751	3,751
-	-	-	-	-	-	155,759
-	-	-	-	-	-	13,298
<u>5,300</u>	<u>-</u>	<u>60,329</u>	<u>3,415</u>	<u>57,236</u>	<u>1,273,839</u>	<u>1,923,743</u>
-	-	-	-	-	2,658	35,184
-	-	-	-	-	632	382,816
<u>5,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,714</u>
<u>5,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,290</u>	<u>547,714</u>
-	-	-	-	-	-	13,298
-	-	-	-	-	-	85,111
-	-	60,329	3,415	57,236	1,270,549	1,391,529
-	-	-	-	-	-	(113,909)
<u>-</u>	<u>-</u>	<u>60,329</u>	<u>3,415</u>	<u>57,236</u>	<u>1,270,549</u>	<u>1,376,029</u>
<u>5,300</u>	<u>-</u>	<u>60,329</u>	<u>3,415</u>	<u>57,236</u>	<u>1,273,839</u>	<u>1,923,743</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 1,376,029**

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

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

Capital Assets	8,986,198	
Accumulated Depreciation	<u>(593,307)</u>	
		8,392,891

Defined benefit pension plan deferred outflows are not financial resources and, therefore, and not reported in the funds		1,653,415
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Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Accrued Interest Payable	(52,631)	
Long-Term Debt	(10,280,000)	
Net Pension Liability	<u>(6,527,885)</u>	
		(16,860,516)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		<u>(62,088)</u>
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Net Position (Deficit) -Total Governmental Activities **\$ (5,500,269)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154
REVENUES						
Property Taxes	\$ -	-	-	-	-	-
State Grant	4,271,401	246,500	43,759	-	-	-
Federal Grant	-	-	-	43,130	104,360	626
Charges for Services	32,620	-	-	-	-	-
Miscellaneous Income	38,860	-	-	-	-	-
Total Revenues	<u>4,342,881</u>	<u>246,500</u>	<u>43,759</u>	<u>43,130</u>	<u>104,360</u>	<u>626</u>
EXPENDITURES						
Current:						
Instruction	3,183,482	-	50,261	43,130	51,479	626
Support Services:						
Students	301,198	-	-	-	18,100	-
Instruction	48,536	-	-	-	-	-
General Administration	24,572	84,495	-	-	-	-
School Administration	310,816	-	-	-	34,781	-
Central Services	163,195	-	-	-	-	-
Operation & Maintenance of Plant	429,884	-	-	-	-	-
Student Transportation	-	303,435	-	-	-	-
Other Support Services Operations	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	<u>4,461,683</u>	<u>387,930</u>	<u>50,261</u>	<u>43,130</u>	<u>104,360</u>	<u>626</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(118,802)</u>	<u>(141,430)</u>	<u>(6,502)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(118,802)</u>	<u>(141,430)</u>	<u>(6,502)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	<u>75,126</u>	<u>84,495</u>	<u>91,613</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)- End of Year	<u>\$ (43,676)</u>	<u>(56,935)</u>	<u>85,111</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

USHHS/CDC School Health 24186	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Ad Valorem 31701	Foundation	Total
-	-	427,264	292	216,798	-	644,354
-	514,639	-	-	-	-	5,076,299
5,300	-	-	-	-	-	153,416
-	-	-	-	-	-	32,620
-	-	-	-	-	901,839	940,699
<u>5,300</u>	<u>514,639</u>	<u>427,264</u>	<u>292</u>	<u>216,798</u>	<u>901,839</u>	<u>6,847,388</u>
-	-	-	-	-	-	3,328,978
5,300	-	-	-	-	-	324,598
-	-	-	-	-	-	48,536
-	-	-	-	-	73,036	182,103
-	-	-	-	-	-	345,597
-	-	-	-	-	-	163,195
-	-	-	-	-	562	430,446
-	-	-	-	-	-	303,435
-	-	-	-	-	1,389	1,389
-	514,640	366,935	-	159,562	-	1,041,137
-	-	-	-	-	170,000	170,000
-	-	-	-	-	633,407	633,407
<u>5,300</u>	<u>514,640</u>	<u>366,935</u>	<u>-</u>	<u>159,562</u>	<u>878,394</u>	<u>6,972,821</u>
-	(1)	60,329	292	57,236	23,445	(125,433)
-	(1)	60,329	292	57,236	23,445	(125,433)
-	1	-	3,123	-	1,247,104	1,501,462
-	-	60,329	3,415	57,236	1,270,549	1,376,029

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (125,433)**

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

Change in net pension liability (511,671)

Expenditures to purchase or build capital assets, pay for interest on debt,
and amortization on long term 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 capital outlay exceeds depreciation for the
period

Principal Payments	170,000	
Amortization Expense	(298)	
Depreciation Expense	<u>(147,806)</u>	
		<u>21,896</u>

Change in Net Position (Deficit) -Total Governmental Activities **\$ (615,208)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Agency</u>
ASSETS	
Cash in Bank	\$ -
Total Assets	<u>\$ -</u>
LIABILITIES	
Deposits Held for Others	\$ (26,045)
Due to Governmental Funds	<u>26,045</u>
Total Liabilities	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ -	79,535	(79,535)	-
Total Assets	<u>\$ -</u>	<u>79,535</u>	<u>(79,535)</u>	<u>-</u>
 LIABILITIES				
Deposits Held for Others	\$ (8,936)	62,426	(79,535)	(26,045)
Due to Governmental Funds	<u>8,936</u>	<u>17,109</u>	<u>-</u>	<u>26,045</u>
Total Liabilities	<u>\$ -</u>	<u>79,535</u>	<u>(79,535)</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Cottonwood Classical Preparatory School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Cottonwood Classical Preparatory School (CCPS) does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. CCPS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5-10 years
Land and Land Improvements	15 years
Buildings and Improvements	5-40 years

Capital assets for CCPS are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets not being Depreciated</i>				
Land	\$ 3,167,743	-	-	3,167,743
Land Improvements	4,687	-	-	4,687
<i>Total</i>	<u>3,172,430</u>	<u>-</u>	<u>-</u>	<u>3,172,430</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 43,564	-	-	43,564
Building and Improvements	5,770,204	-	-	5,770,204
<i>Total</i>	<u>5,813,768</u>	<u>-</u>	<u>-</u>	<u>5,813,768</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(14,016)	(2,881)	-	(16,897)
Building and Improvements	(431,485)	(144,925)	-	(576,410)
<i>Total</i>	<u>(445,501)</u>	<u>(147,806)</u>	<u>-</u>	<u>(593,307)</u>
Capital Assets, Net	<u>\$ 8,540,697</u>	<u>(147,806)</u>	<u>-</u>	<u>8,392,891</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Facilities, Materials, Supplies & Other Services	\$ 146,489
Operation & Maintenance of Plant	1,317
Total	<u>\$ 147,806</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

Revenue Bonds are secured by pledges of certain revenues and assets. On December 1, 2012, Cottonwood Classical Preparatory School, pursuant to a lease purchase agreement with Cottonwood Classical Foundation, Inc. and indenture of trust, issued its Educational Facility Revenue Bonds Series 2012A in the aggregate principal amount of \$10,250,000 and \$360,000 Taxable Educational Facility Revenue Bonds Series 2012B. Bond proceeds were used to acquire and renovate a 47,161 square foot charter school facility that will house classrooms from sixth through twelfth grade. CCPS pledges, transfers, and grants a security interest in and assigns to Wells Fargo Bank, N.A. to secure the payment of lease payments in accordance with the terms and provisions of the lease, all funds, monies, grants, or other distributions received by the School from the State of New Mexico with respect to Equalization Guarantee funding, State Leasing or account established by CCPS, but specifically excluding State funding under the Charter School Act which is specifically dedicated to the payment of expenses of the Charter School which do not include payment of amounts due under the Lease and all such operating expenses of CCPS required under State or federal laws to provide required educational program expenditures.

The total bond payable as of June 30, 2017 is as follows:

Series 2012A Education Facility Revenue Bond; Interest rate 5.25% due in quarterly installments; Maturing December 1, 2022	\$ 1,200,000
Series 2012A Education Facility Revenue Bond; Interest rate 6.00% due in quarterly installments; Maturing December 1, 2032	3,220,000
Series 2012A Education Facility Revenue Bond; Interest rate 6.25% due in quarterly installments; Maturing December 1, 2042	5,830,000
Series 2012B Taxable Education Facility Revenue Bond; Interest rate 5.5% due in quarterly installments; Maturing December 1, 2017	<u>30,000</u>
Total Bond Payable	<u><u>\$ 10,280,000</u></u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES (Continued)

The aggregate amounts of principal maturities and interest of bonds payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	180,000	622,225	802,225
2019	190,000	612,700	802,700
2020	200,000	602,725	802,725
2021	210,000	592,225	802,225
2022	1,230,000	2,778,575	4,008,575
Thereafter	8,270,000	5,356,663	13,625,113
Total	<u>\$ 10,280,000</u>	<u>10,565,113</u>	<u>20,845,113</u>

NOTE 4. DEFICIT FUND BALANCE

The following funds had a deficit balance at June 30, 2017:

11000 Operational	\$ 43,676
13000 Transportation	<u>56,935</u>
	<u>\$ 100,611</u>

NOTE 5. OVERSPENT BUDGET LINE ITEMS

As stated in finding 2017-001, Cottonwood Classical Preparatory School expended in excess of the budget in the following funds.

Operational (11000)	
Support Services – Students (2100)	\$65,426
Operations and Maintenance of Plant (2600)	\$3,822
Transportation (13000)	
Student Transportation (2700)	\$56,935

NOTE 6. RELATED PARTY TRANSACTIONS

Cottonwood Classical Preparatory School has created a Foundation which donates various funds to the school and entered into revenue bonds to construct a building for the school. The Foundation is considered a component unit of the School and is presented as a blended component unit. The Director of Operations' son is employed at the school. The Business Manager of the school is also the CEO of the Vigil Group.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Notes to the Financial Statements
June 30, 2017**

NOTE 7. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Cottonwood Classical Preparatory School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Southwest Intermediate Learning Center paid employee and employer contributions of \$399,054 and \$360,114.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Cottonwood Classical Preparatory School reported a liability of \$6,527,885 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Cottonwood Classical Preparatory School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Notes to the Financial Statements
June 30, 2017**

NOTE 8. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

At June 30, 2016, Cottonwood Classical Preparatory School's proportion was 0.09071%, which was an increase of 0.01019% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Cottonwood Classical Preparatory School recognized pension expense of \$512,520. As of June 30, 2017, Cottonwood Classical Preparatory School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,320	(62,088)
Changes in assumptions	132,882	-
Net difference between projected and actual earnings on pension plan investments	389,660	-
Changes in proportion and differences between Cottonwood Classical Preparatory School's contributions and proportionate share of contributions	703,499	-
Cottonwood Classical Preparatory School's contributions subsequent to the measurement date	<u>399,054</u>	<u>-</u>
Total	<u>\$ 1,653,415</u>	<u>(62,088)</u>

The amount of \$399,054 reported as deferred outflows of resources related to pensions resulting from Cottonwood Classical Preparatory School's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 409,761
2019	369,712
2020	317,777
2021	<u>95,023</u>
Total	<u>\$ 1,192,273</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cottonwood Classical Preparatory School
 Notes to the Financial Statements
 June 30, 2017

NOTE 8. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Sensitivity of Cottonwood Classical Preparatory School's proportionate share of the net pension liability to changes in the discount rate. The following presents Cottonwood Classical Preparatory School's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as the Cottonwood Classical Preparatory 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:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Cottonwood Classical Preparatory School's proportionate share of the net pension liability	<u>\$ 8,646,032</u>	<u>6,527,885</u>	<u>4,770,421</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. Cottonwood Classical Preparatory School accrued \$45,966 in ERB benefits at June 30, 2017 for teachers with ten month contracts.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.09%	0.08%	2.66%
School's Proportionate Share of Net Pension Liability (Asset)		\$ 6,528	5,215	4,278
School's Covered-Employee Payroll		\$ 2,871	2,198	2,067
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		227.38%	237.23%	207.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Cottonwood Classical Preparatory School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of School Contributions
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	2015	2016	2017
Statutory required contributions	\$ 272	363	399
Contributions in Relation to the Contractually Required Contribution	272	318	399
Annual contribution deficiency (excess)	\$ -	45	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Cottonwood Classical Preparatory School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 4,419,609	4,271,401	4,271,401	-
Charges for Services	-	33,020	32,620	(400)
Miscellaneous Income	-	38,860	38,860	-
Total Revenues	<u>4,419,609</u>	<u>4,343,281</u>	<u>4,342,881</u>	<u>(400)</u>
EXPENDITURES				
Current:				
Instruction	3,224,333	3,197,782	3,175,819	21,963
Support Services:				
Students	223,050	234,574	300,000	(65,426)
Instruction	40,000	50,000	48,536	1,464
General Administration	36,935	34,435	24,572	9,863
School Administration	314,328	313,328	309,549	3,779
Central Services	185,384	155,384	153,818	1,566
Operation & Maintenance of Plant	414,272	420,345	424,167	(3,822)
Total Expenditures	<u>4,438,302</u>	<u>4,405,848</u>	<u>4,436,461</u>	<u>(30,613)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(18,693)</u>	<u>(62,567)</u>	<u>(93,580)</u>	<u>(31,013)</u>
Net Changes in Fund Balances	<u>(18,693)</u>	<u>(62,567)</u>	<u>(93,580)</u>	<u>(31,013)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>66,657</u>	<u>66,657</u>
Cash or Fund Balances - End of Year	<u>\$ (18,693)</u>	<u>(62,567)</u>	<u>(26,923)</u>	<u>35,644</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (93,580)	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>(25,222)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (118,802)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Student Transportation 13000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 284,615	246,500	246,500	-
Total Revenues	<u>284,615</u>	<u>246,500</u>	<u>246,500</u>	<u>-</u>
EXPENDITURES				
Current:				
Support Services				
General Administrative	-	-	-	-
Student Transportation	284,615	246,500	303,435	(56,935)
Other	-	-	84,495	(84,495)
Total Expenditures	<u>284,615</u>	<u>246,500</u>	<u>387,930</u>	<u>(141,430)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(141,430)</u>	<u>(141,430)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(141,430)</u>	<u>(141,430)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>84,495</u>	<u>84,495</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(56,935)</u>	<u>(56,935)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (141,430)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (141,430)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 39,236	43,760	43,759	(1)
Total Revenues	<u>39,236</u>	<u>43,760</u>	<u>43,759</u>	<u>(1)</u>
EXPENDITURES				
Current:				
Instruction	78,717	83,241	47,786	35,455
Total Expenditures	<u>78,717</u>	<u>83,241</u>	<u>47,786</u>	<u>35,455</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(39,481)</u>	<u>(39,481)</u>	<u>(4,027)</u>	<u>35,454</u>
Net Changes in Fund Balances	<u>(39,481)</u>	<u>(39,481)</u>	<u>(4,027)</u>	<u>35,454</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>91,613</u>	<u>91,613</u>
Cash or Fund Balances - End of Year	<u>\$ (39,481)</u>	<u>(39,481)</u>	<u>87,586</u>	<u>127,067</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (4,027)	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>(2,475)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (6,502)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 41,116	43,130	43,130	-
Total Revenues	<u>41,116</u>	<u>43,130</u>	<u>43,130</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	41,116	43,130	43,130	-
Total Expenditures	<u>41,116</u>	<u>43,130</u>	<u>43,130</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 76,690	104,360	123,956	19,596
Total Revenues	76,690	104,360	123,956	19,596
EXPENDITURES				
Current:				
Instruction	40,697	51,479	51,479	-
Support Services:				
Students	18,100	18,100	18,100	-
School Administration	17,893	34,781	34,781	-
Total Expenditures	76,690	104,360	104,360	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	19,596	19,596
Net Changes in Fund Balances	-	-	19,596	19,596
Cash or Fund Balances - Beginning of Year	-	-	(87,857)	(87,857)
Cash or Fund Balances - End of Year	\$ -	-	(68,261)	(68,261)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 19,596	
Adjustments to Revenues			(19,596)	
Adjustments to Expenditures				
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 14,625	29,284	783	(28,501)
Total Revenues	<u>14,625</u>	<u>29,284</u>	<u>783</u>	<u>(28,501)</u>
EXPENDITURES				
Current:				
Instruction	14,625	29,284	626	28,658
Total Expenditures	<u>14,625</u>	<u>29,284</u>	<u>626</u>	<u>28,658</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	157	157
Net Changes in Fund Balances	-	-	157	157
Cash or Fund Balances - Beginning of Year	-	-	(783)	(783)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(626)</u>	<u>(626)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 157	
Adjustments to Revenues			(157)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
USHHS / CDC School Health 24186
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	5,300	4,999	(301)
Total Revenues	<u>-</u>	<u>5,300</u>	<u>4,999</u>	<u>(301)</u>
EXPENDITURES				
Current:				
Instruction	-	5,300	5,300	-
Total Expenditures	<u>-</u>	<u>5,300</u>	<u>5,300</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(301)</u>	<u>(301)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(301)</u>	<u>(301)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(4,999)</u>	<u>(4,999)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,300)</u>	<u>(5,300)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (301)	
Adjustments to Revenues			301	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	514,639	634,095	119,456
Total Revenues	-	514,639	634,095	119,456
EXPENDITURES				
Capital Outlay	-	514,639	514,639	-
Total Expenditures	-	514,639	514,639	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	119,456	119,456
Net Changes in Fund Balances	-	-	119,456	119,456
Cash or Fund Balances - Beginning of Year	-	-	(119,456)	(119,456)
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 119,456	
Adjustments to Revenues			(119,457)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (1)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 432,712	432,712	421,408	(11,304)
Total Revenues	<u>432,712</u>	<u>432,712</u>	<u>421,408</u>	<u>(11,304)</u>
EXPENDITURES				
Capital Outlay	432,712	432,712	366,935	65,777
Total Expenditures	<u>432,712</u>	<u>432,712</u>	<u>366,935</u>	<u>65,777</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	54,473	54,473
Net Changes in Fund Balances	-	-	54,473	54,473
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>54,473</u>	<u>54,473</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 54,473	
Adjustments to Revenues			5,856	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 60,329</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	33,976	-	(33,976)
State Grant	-	-	-	-
Total Revenues	-	33,976	-	(33,976)
EXPENDITURES				
Capital Outlay	-	33,976	-	33,976
Total Expenditures	-	33,976	-	33,976
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			292	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 292	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements Ad Valorem 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 216,884	216,884	216,798	(86)
Total Revenues	<u>216,884</u>	<u>216,884</u>	<u>216,798</u>	<u>(86)</u>
EXPENDITURES				
Capital Outlay	377,874	377,874	159,562	218,312
Total Expenditures	<u>377,874</u>	<u>377,874</u>	<u>159,562</u>	<u>218,312</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(160,990)</u>	<u>(160,990)</u>	<u>57,236</u>	<u>218,226</u>
Net Changes in Fund Balances	<u>(160,990)</u>	<u>(160,990)</u>	<u>57,236</u>	<u>218,226</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (160,990)</u>	<u>(160,990)</u>	<u>57,236</u>	<u>218,226</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 57,236	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 57,236</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Bank of New York Mellon	FNMA FNMS	3138AV6U4	2/1/2043	\$ 111,775
				<u>\$ 111,775</u>

Total Cash per Schedule of Cash Accounts (excluding Foundation):	\$ 397,389
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	147,389
Collateral Requirement:	73,695
Pledged Collateral Held by Pledging Financial Institution:	<u>111,775</u>
Balance Over Collateralized:	<u>\$ 38,080</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	<u>\$ 35,614</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cottonwood Classical Preparatory School
 Schedule of Cash Accounts
 June 30, 2017

Bank Account Type	Wells Fargo
Checking - Operational Account	\$ 397,389
Checking - Foundation	25,455
Bond Accounts - Foundation	1,244,633
Total on Deposit	1,667,477
Reconciling Items	-
Reconciled Balance June 30, 2017	1,667,477
Less Agency Funds	-
Total Cash	\$ 1,667,477

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
Cash Reconciliation
June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Non-Instructional 23000
Cash, June 30, 2016	\$ 437,372	84,495	91,613	(8,936)
Add:				
2016-17 revenues	<u>4,342,881</u>	<u>246,500</u>	<u>43,759</u>	<u>62,426</u>
Total cash available	4,780,253	330,995	135,372	53,490
Less:				
2016-17 expenditures	(4,436,462)	(303,435)	(47,786)	(79,535)
Receivables/Payables	380,777	-	-	-
Outstanding Loans	<u>(155,759)</u>	<u>56,935</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>568,809</u>	<u>84,495</u>	<u>87,586</u>	<u>(26,045)</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(370,715)</u>	<u>(84,495)</u>	<u>-</u>	<u>26,045</u>
Cash per Books	<u>198,094</u>	<u>-</u>	<u>87,586</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(241,770)</u>	<u>(56,935)</u>	<u>(2,475)</u>	<u>-</u>
Fund Balance, Modified Accrual Basis	<u>\$ (43,676)</u>	<u>(56,935)</u>	<u>85,111</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Flowthrough 24000	Public School Capital Outlay 31200	Capital Improvements HB-33 31600	Capital Improvements SB-9 Local 31700	Total
(86,634)	(119,456)	-	-	398,454
172,982	634,096	421,408	216,798	6,140,850
86,348	514,640	421,408	216,798	6,539,304
(153,415)	(514,640)	(366,935)	(159,562)	(6,061,770)
1,408	-	-	-	382,185
72,779	-	-	-	(26,045)
7,120	-	54,473	57,236	833,674
(7,120)	-	-	-	(436,285)
-	-	54,473	57,236	397,389
			Foundation	1,270,088
			Total	1,667,477
-	-	5,856	3,415	(291,909)
-	-	60,329	60,651	105,480
			Foundation	1,270,549
			Total	1,376,029

The accompanying notes are an integral part of these financial statements

DREAM DINÉ CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 383,145
Receivables	
Due from Other Governments	35,376
Total Current Assets	<u>418,521</u>

Noncurrent Assets:

Capital Assets	
Building and Improvements	59,291
Furniture, Fixtures, and Equipment	8,336
Less: Accumulated Depreciation	(8,611)
Total Noncurrent Assets	<u>59,016</u>
Total Assets	<u>477,537</u>

Deferred Outflows - Pension Related	<u>278,535</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	8,028
Accrued Liabilities	45,420
Total Current Liabilities	<u>53,448</u>

Noncurrent Liabilities:

Net Pension Liability	448,338
Total Noncurrent Liabilities	<u>448,338</u>
Total Liabilities	<u>501,786</u>

Deferred Inflows - Pension Related	<u>4,264</u>
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NET POSITION

Investment in Capital Assets	59,016
Restricted	186,032
Unrestricted	4,974
Total Net Position	<u>\$ 250,022</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			(Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 247,963	-	264,025	-	16,062
Support Services:					
Students	4,476	-	-	-	(4,476)
Instruction	3,037	-	-	-	(3,037)
General Administration	21,223	-	-	-	(21,223)
School Administration	153,869	-	-	-	(153,869)
Central Services	91,431	-	-	-	(91,431)
Operation & Maintenance of Plant	68,300	-	-	-	(68,300)
Food Services	27,185	-	15,549	-	(11,636)
Facilities Materials, Supplies & Other Services	24,296	-	-	24,296	-
Total Governmental Activities	\$ 641,780	-	279,574	24,296	(337,910)
General Revenues:					
State Equalization Guarantee					\$ 313,593
Total General Revenues					<u>313,593</u>
Change in Net Position					(24,317)
Net Position, Beginning					<u>274,339</u>
Net position, Ending					<u>\$ 250,022</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Kellogg Foundation 26121
ASSETS				
Cash and Cash Equivalents	\$ 190,374	1,493	4,890	141,284
Accounts Receivable				
Due from Other Governments	-	-	-	-
Due from Other Funds	32,294	-	-	-
Total Assets	<u>\$ 222,668</u>	<u>1,493</u>	<u>4,890</u>	<u>141,284</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 1,368	-	-	3,599
Accrued Expenditures	42,259	-	-	3,120
Due to Other Funds	-	-	-	-
Total Liabilities	<u>43,627</u>	<u>-</u>	<u>-</u>	<u>6,719</u>
<i>Fund Balances</i>				
Fund Balance:				
Restricted for:				
Instruction	-	1,493	-	-
Administration	-	-	-	134,565
Food Service Operations	-	-	4,890	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	179,041	-	-	-
Total Fund Balance	<u>179,041</u>	<u>1,493</u>	<u>4,890</u>	<u>134,565</u>
Total Liabilities and Fund Balances	<u>\$ 222,668</u>	<u>1,493</u>	<u>4,890</u>	<u>141,284</u>

The accompanying notes are an integral part of these financial statements

2012 GO Bond Student Library SB-66 27107	New Mexico Reads to Lead 27114	Indian Education Act 27150	Private Direct Grants 29102	Public School Capital Outlay 31200	Total
-	-	-	45,104	-	383,145
3,037	10,471	15,794	-	6,074	35,376
-	-	-	-	-	32,294
<u>3,037</u>	<u>10,471</u>	<u>15,794</u>	<u>45,104</u>	<u>6,074</u>	<u>450,815</u>
-	2,314	747	-	-	8,028
-	21	-	20	-	45,420
3,037	8,136	15,047	-	6,074	32,294
<u>3,037</u>	<u>10,471</u>	<u>15,794</u>	<u>20</u>	<u>6,074</u>	<u>85,742</u>
-	-	-	45,084	-	46,577
-	-	-	-	-	134,565
-	-	-	-	-	4,890
-	-	-	-	-	179,041
-	-	-	45,084	-	365,073
<u>3,037</u>	<u>10,471</u>	<u>15,794</u>	<u>45,104</u>	<u>6,074</u>	<u>450,815</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds		\$ 365,073
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital Assets	67,627	
Accumulated Depreciation	<u>(8,611)</u>	59,016
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds		278,535
Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(4,264)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(448,338)</u>
Net Position-Total Governmental Activities		<u><u>\$ 250,022</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Kellogg Foundation 26121
REVENUES				
State Grant	\$ 313,593	1,612	-	127,150
Federal Grant	-	-	15,549	-
Contributions	11,583	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	325,176	1,612	15,549	127,150
EXPENDITURES				
Current:				
Instruction	154,716	2,586	-	5,227
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	19,788	-	-	659
School Administration	25,389	-	-	58,124
Central Services	49,628	-	-	18,056
Operation & Maintenance of Plant	59,434	-	-	897
Food Services Operations	10,225	-	13,294	-
Capital Outlay	-	-	-	-
Total Expenditures	319,180	2,586	13,294	82,963
Net Changes in Fund Balances	5,996	(974)	2,255	44,187
Fund Balances - Beginning of Year	173,045	2,467	2,635	90,378
Fund Balances - End of Year	\$ 179,041	1,493	4,890	134,565

The accompanying notes are an integral part of these financial statements

2012 GO Bond Student Library SB-66 27107	New Mexico Reads to Lead 27114	Indian Education Act 27150	Private Direct Grants 29102	Public School Capital Outlay 31200	Total
3,037	10,471	15,794	94,378	24,296	590,331
-	-	-	-	-	15,549
-	-	-	-	-	11,583
-	-	-	-	-	-
<u>3,037</u>	<u>10,471</u>	<u>15,794</u>	<u>94,378</u>	<u>24,296</u>	<u>617,463</u>
-	10,471	15,794	8,652	-	197,446
-	-	-	4,476	-	4,476
3,037	-	-	-	-	3,037
-	-	-	776	-	21,223
-	-	-	26,331	-	109,844
-	-	-	13,467	-	81,151
-	-	-	3,460	-	63,791
-	-	-	-	-	23,519
-	-	-	-	24,296	24,296
<u>3,037</u>	<u>10,471</u>	<u>15,794</u>	<u>57,162</u>	<u>24,296</u>	<u>528,783</u>
-	-	-	37,216	-	88,680
-	-	-	7,868	-	276,393
-	-	-	45,084	-	365,073

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 88,680**

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

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 capital outlay exceeds
depreciation for the period

Depreciation Expense (4,509)

Changes in deferred outflows of resources - pension related,
deferred inflows of resources - pension related, and the net
pension liability (108,488)

Change in Net Position-Total Governmental Activities **\$ (24,317)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 273
Total Assets	<u>\$ 273</u>
 LIABILITIES	
Deposits Held for Others	\$ 273
Total Liabilities	<u>\$ 273</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ -	273	-	273
Total Assets	<u>\$ -</u>	<u>273</u>	<u>-</u>	<u>273</u>
LIABILITIES				
Deposits Held for Others	\$ -	273	-	273
Total Liabilities	<u>\$ -</u>	<u>273</u>	<u>-</u>	<u>273</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Dream Diné Charter School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Dream Diné Charter School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Dream Diné Charter School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets.

Building and Improvements	15 years
Equipment	15 years

Capital assets for the Dream Diné Charter School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Building and Improvements	\$ 59,291	-	-	59,291
Furniture, Fixtures and Equipment	8,336	-	-	8,336
<i>Total</i>	<u>67,627</u>	<u>-</u>	<u>-</u>	<u>67,627</u>
<i>Less: Accumulated Depreciation</i>				
Building and Improvements	(3,596)	(3,953)	-	(7,549)
Furniture, Fixtures and Equipment	(506)	(556)	-	(1,062)
<i>Total</i>	<u>(4,102)</u>	<u>(4,509)</u>	<u>-</u>	<u>(8,611)</u>
Capital Assets, Net	<u>\$ 63,525</u>	<u>(4,509)</u>	<u>-</u>	<u>59,016</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Operation & Maintenance of Plant	<u>\$ 4,509</u>
Total	<u><u>\$ 4,509</u></u>

NOTE 3. RELATED PARTY TRANSACTIONS

The business manager services are performed by an individual who performed services for multiple state charter schools.

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Dream Diné Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Contributions. For the fiscal years ended June 30, 2017 and 2016 education employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Dream Diné Charter School paid employee and employer contributions of \$32,982 and \$24,803.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Dream Diné Charter School reported a liability of \$448,338 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2016. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Dream Diné Charter School’s proportion of the net pension liability is based on the employer contribution entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Dream Diné Charter School’s proportion was 0.00623%, which is an increase of 0.00096% from its proportion at June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

For the year ended June 30, 2017, Dream Diné Charter School recognized pension expense of \$141,518. As of June 30, 2017, Dream Diné Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,945	\$ (4,264)
Changes in assumptions	9,126	-
Net difference between projected and actual investment earnings	26,763	-
Changes in proportion and differences between Dream Diné Charter School's contributions and proportionate share of contributions	207,719	-
Dream Diné Charter School's contributions subsequent to the measurement date	32,982	-
	<hr/>	<hr/>
Total	<u>\$ 278,535</u>	<u>\$ (4,264)</u>

The amount of \$32,982 reported as deferred outflows of resources related to pensions resulting from Dream Diné Charter School contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 107,480
2018	102,055
2019	25,228
2020	6,526
Total	<u>\$ 241,289</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of Dream Diné Charter School’s proportionate share of the net pension liability to changes in the discount rate. The following presents Dream Diné Charter School’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what Dream Diné Charter 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:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Dream Diné Charter School’s proportionate share of the net pension liability	\$ 593,813	448,338	327,634

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s website at [www.nmerb.org/Annual reports.html](http://www.nmerb.org/Annual%20reports.html).

Payables to the pension plan. At June 30, 2017, Dream Diné Charter School owed \$10,058 to ERB for fiscal year 2017 contributions.

NOTE 5. OVER-EXPENDITURE OF BUDGET

For the year ended June 30, 2017, Fund 21000 (Food Services Operations) over-expended its budget by \$315.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	Fiscal Year	30-Jun		
		2017	2016	2015
	Measurement Date	2016	2015	2014
Dream Diné Charter School's Proportion of the Net Pension Liability (Asset)		0.006%	0.010%	0.005%
Dream Diné Charter School's Proportionate Share of Net Pension Liability (Asset)	\$	448	341	459
Dream Diné Charter School's Covered-Employee Payroll	\$	222	144	150
Dream Diné Charter School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		201.80%	236.81%	306.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Dream Diné Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ 24	25	31
Contributions in Relation to the Contractually Required Contribution	21	25	31
Annual contribution deficiency (excess)	\$ 3	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Dream Diné Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 428,237	313,593	313,593	-
Miscellaneous	-	11,333	11,583	250
Total Revenues	<u>428,237</u>	<u>324,926</u>	<u>325,176</u>	<u>250</u>
EXPENDITURES				
Current:				
Instruction	238,525	228,363	114,506	113,857
Support Services:				
Students	2,500	2,500	-	2,500
Instruction	1,000	1,000	-	1,000
General Administration	19,500	20,004	19,261	743
School Administration	144,226	111,211	41,725	69,486
Central Services	37,750	61,772	47,545	14,227
Operation & Maintenance of Plant	69,050	74,956	59,629	15,327
Food Services Operations	-	12,402	10,203	2,199
Total Expenditures	<u>512,551</u>	<u>512,208</u>	<u>292,869</u>	<u>219,339</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(84,314)</u>	<u>(187,282)</u>	<u>32,307</u>	<u>219,589</u>
Other Financing Sources (Uses):				
Designated Cash	84,314	187,282	-	(187,282)
Total Other Financing Sources (Uses):	<u>84,314</u>	<u>187,282</u>	<u>-</u>	<u>(187,282)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>32,307</u>	<u>32,307</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>173,045</u>	<u>173,045</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>205,352</u>	<u>205,352</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 32,307	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>(26,311)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 5,996</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 1,776	1,776	1,612	(164)
Total Revenues	<u>1,776</u>	<u>1,776</u>	<u>1,612</u>	<u>(164)</u>
EXPENDITURES				
Current:				
Instruction	1,776	3,679	2,586	1,093
Total Expenditures	<u>1,776</u>	<u>3,679</u>	<u>2,586</u>	<u>1,093</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(1,903)</u>	<u>(974)</u>	<u>929</u>
Other Financing Sources (Uses):				
Designated Cash	-	1,903	-	(1,903)
Total Other Financing Sources (Uses):	<u>-</u>	<u>1,903</u>	<u>-</u>	<u>(1,903)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(974)</u>	<u>(974)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,467</u>	<u>2,467</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,493</u>	<u>1,493</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (974)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (974)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	15,000	16,806	1,806
Total Revenues	<u>-</u>	<u>15,000</u>	<u>16,806</u>	<u>1,806</u>
EXPENDITURES				
Current:				
Food Services Operations	-	15,000	15,315	(315)
Total expenditures	<u>-</u>	<u>15,000</u>	<u>15,315</u>	<u>(315)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	1,491	1,491
Net changes in Fund Balances	-	-	1,491	1,491
Cash or Fund Balances - Beginning of Year	-	-	2,635	2,635
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,126</u>	<u>4,126</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 1,491	
Adjustments to Revenues			(1,257)	
Adjustments to Expenditures			2,021	
NET CHANGE IN FUND BALANCE			<u>\$ 2,255</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Kellogg Foundation 26121
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Contributions	\$ -	63,575	127,150	63,575
Total Revenues	-	63,575	127,150	63,575
EXPENDITURES				
Current:				
Instruction	-	27,099	6,128	20,971
Support Services:				
General Administration	-	2,800	659	2,141
School Administration	-	79,761	45,411	34,350
Central Services	-	42,793	14,757	28,036
Operation & Maintenance of Plant	-	1,500	897	603
Total Expenditures	-	153,953	67,852	86,101
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>-</i>	<i>(90,378)</i>	<i>59,298</i>	<i>149,676</i>
Other financing sources (uses):				
Designated Cash	-	90,378	-	(90,378)
Total other financing sources (uses):	-	90,378	-	(90,378)
Net Changes in Fund Balances	-	-	59,298	59,298
Cash or Fund Balances - Beginning of Year	-	-	90,378	90,378
Cash or Fund Balances - End of Year	\$ -	-	149,676	149,676
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 59,298	
Adjustments to Revenues			-	
Adjustments to Expenditures			(15,111)	
NET CHANGE IN FUND BALANCE			\$ 44,187	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
2012 GO Bond Student Library SB-66 27107
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 3,040	3,040	-	(3,040)
Total Revenues	<u>3,040</u>	<u>3,040</u>	<u>-</u>	<u>(3,040)</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	3,040	3,040	3,037	3
Total Expenditures	<u>3,040</u>	<u>3,040</u>	<u>3,037</u>	<u>3</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,037)</u>	<u>(3,037)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,037)</u>	<u>(3,037)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,037)</u>	<u>(3,037)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,037)	
Adjustments to Revenues			3,037	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Reads to Lead 27114
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	28,000	20,060	(7,940)
Total Revenues	<u>-</u>	<u>28,000</u>	<u>20,060</u>	<u>(7,940)</u>
EXPENDITURES				
Current:				
Instruction	-	28,000	11,874	16,126
Total Expenditures	<u>-</u>	<u>28,000</u>	<u>11,874</u>	<u>16,126</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	8,186	8,186
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>8,186</u>	<u>8,186</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>8,186</u>	<u>8,186</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 8,186	
Adjustments to Revenues			(8,186)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Indian Education Act 27150
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	25,000	-	(25,000)
Total Revenues	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
EXPENDITURES				
Current:				
Instruction	-	25,000	15,794	9,206
Total Expenditures	<u>-</u>	<u>25,000</u>	<u>15,794</u>	<u>9,206</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(15,794)</u>	<u>(15,794)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(15,794)</u>	<u>(15,794)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(15,794)</u>	<u>(15,794)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (15,794)	
Adjustments to Revenues			15,794	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grant 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Contributions	\$ -	75,976	94,378	18,402
Total Revenues	<u>-</u>	<u>75,976</u>	<u>94,378</u>	<u>18,402</u>
EXPENDITURES				
Current:				
Instruction	-	12,490	8,652	3,838
Support Services:				
Students	-	8,500	4,476	4,024
General Administration	-	3,000	776	2,224
School Administration	-	37,705	26,331	11,374
Central Services	-	12,801	13,467	(666)
Operation & Maintenance of Plant	-	1,480	3,460	(1,980)
Total Expenditures	<u>-</u>	<u>75,976</u>	<u>57,162</u>	<u>18,814</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>37,216</u>	<u>37,216</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>37,216</u>	<u>37,216</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>7,868</u>	<u>7,868</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>45,084</u>	<u>45,084</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 37,216	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 37,216</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	24,296	26,505	2,209
Total Revenues	<u>-</u>	<u>24,296</u>	<u>26,505</u>	<u>2,209</u>
EXPENDITURES				
Capital Outlay	-	24,296	24,296	-
Total Expenditures	<u>-</u>	<u>24,296</u>	<u>24,296</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	2,209	2,209
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,209</u>	<u>2,209</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,209</u>	<u>2,209</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,209	
Adjustments to Revenues			(2,209)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
BNY Mellon	FNMA FNMS	3138EEPW3	3/1/2042	\$ 205,082
BNY Mellon	FNMA FNMS	31416WTS1	9/1/2025	816
				<u>\$ 205,898</u>

Total Cash per Schedule of Cash Accounts:	\$ 412,865
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	162,865
Collateral Requirement:	81,433
Pledged Collateral Held by Pledging Financial Institution:	<u>205,898</u>
Balance Over (Under) Collateralized:	<u>\$ 124,465</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	<u>\$ (43,033)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 412,865
<i>Total on Deposit</i>	412,865
Reconciling Items	<u>(29,447)</u>
Reconciled Balance June 30, 2017	383,418
Less: Agency Fund	<u>(273)</u>
<i>Total Cash</i>	<u>\$ 383,145</u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dream Diné Charter School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non- Instructional Fund 23000
Cash, June 30, 2016	\$ 165,700	2,467	4,656	-
Add:				
2016-17 revenues	<u>325,176</u>	<u>1,612</u>	<u>16,806</u>	<u>273</u>
Total Cash Available	490,876	4,079	21,462	273
Less:				
2016-17 expenditures	(292,869)	(2,586)	(15,315)	-
Receivables/Payables	42,259	-	-	-
Outstanding Loans	<u>(32,294)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>207,972</u>	<u>1,493</u>	<u>6,147</u>	<u>273</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(17,598)</u>	<u>-</u>	<u>(1,257)</u>	<u>-</u>
Cash Per Books	<u>190,374</u>	<u>1,493</u>	<u>4,890</u>	<u>273</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(11,333)</u>	<u>-</u>	<u>-</u>	<u>(273)</u>
Fund Balance, Modified Accrual Basis	<u>\$ 179,041</u>	<u>1,493</u>	<u>4,890</u>	<u>-</u>

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

Federal Project Account 24000	Kellogg Foundation 26121	State Account 27000	Private Direct Grants 29102	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	92,903	100	7,868	-	-	273,694
-	127,150	20,060	94,378	26,505	-	611,960
-	220,053	20,160	102,246	26,505	-	885,654
-	(67,852)	(30,705)	(57,162)	(24,296)	-	(490,785)
-	3,120	21	20	-	-	45,420
-	-	26,220	-	6,074	-	-
-	155,321	15,696	45,104	8,283	-	440,289
-	(14,037)	(15,696)	-	(8,283)	-	(56,871)
-	141,284	-	45,104	-	-	383,418
					Less: Agency Fund	(273)
						<u>\$ 383,145</u>
-	(6,719)	-	(20)	-	-	(18,345)
-	134,565	-	45,084	-	-	365,073

DZIL DITL'OOI SCHOOL OF EMPOWERMENT, ACTION & PERSEVERANCE

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Statement of Net Position
June 30, 2017**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 134,028
Receivables	
Due from Other Governments	69,188
Total Current Assets	<u>203,216</u>
Total Assets	<u>203,216</u>

DEFERRED OUTFLOWS - PENSION RELATED

252,973

LIABILITIES

Current Liabilities:

Accounts Payable	25,039
Accrued Liabilities	10,375
Total Current Liabilities	<u>35,414</u>

Noncurrent Liabilities:

Net Pension Liability	310,886
Total Noncurrent Liabilities	<u>310,886</u>
Total Liabilities	<u>346,300</u>

DEFERRED INFLOWS - PENSION RELATED

2,957

NET POSITION

Restricted	101,810
Unrestricted	5,122
Total Net Position	<u>\$ 106,932</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 169,460	-	227,087	-	57,627
Support Services:					
Students	12,436	-	-	-	(12,436)
Instruction	3,539	-	-	-	(3,539)
General Administration	22,979	-	-	-	(22,979)
School Administration	147,133	-	-	-	(147,133)
Central Services	21,469	-	-	-	(21,469)
Operation & Maintenance of Plant	49,417	-	-	-	(49,417)
Other Support Services	110	-	-	-	(110)
Food Services	14,736	-	11,226	-	(3,510)
Facilities Materials, Supplies & Other Services	26,873	-	-	26,873	-
Total Governmental Activities	\$ 468,152	-	238,313	26,873	(202,966)
General Revenues:					
Property Taxes					\$ 3,840
State Equalization Guarantee					275,900
Total General Revenues					<u>279,740</u>
Change in Net Position					76,774
Net Position, Beginning					13,027
Restatement Recognized by GASB 68 and 71					<u>17,131</u>
Net Position, Beginning, as restated					30,158
Net Position, Ending					<u>\$ 106,932</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 32,183	1,320	4,998	-
Accounts Receivable				
Due from Other Governments	-	-	-	31,530
Due from Other Funds	60,267	-	-	-
Total Assets	\$ 92,450	1,320	4,998	31,530
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities:				
Accounts Payable	\$ 15,856	-	-	-
Accrued Expenditures	6,147	-	-	1,190
Due to Other Funds	-	-	-	30,340
Total Liabilities	22,003	-	-	31,530
Fund Balances (Deficit):				
Restricted for:				
Instruction	-	1,320	-	-
Food Service Operations	-	-	4,998	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	70,447	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficit)	70,447	1,320	4,998	-
Total Liabilities and Fund Balances (Deficit)	\$ 92,450	1,320	4,998	31,530

The accompanying notes are an integral part of these financial statements

New American Program 25248	Golden Apple Foundation 26163	Albuquerque Community Foundation 26198	Indian Education Act 27150	Private Direct Grants 29102	City/ County Grants 29107
13,909	2,880	-	-	60,087	2,604
-	-	-	22,763	7,292	-
-	-	-	-	-	-
<u>13,909</u>	<u>2,880</u>	<u>-</u>	<u>22,763</u>	<u>67,379</u>	<u>2,604</u>
269	-	3,250	-	5,050	-
1,472	-	-	759	807	-
-	-	-	23,209	-	-
<u>1,741</u>	<u>-</u>	<u>3,250</u>	<u>23,968</u>	<u>5,857</u>	<u>-</u>
12,168	2,880	-	-	61,522	2,604
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(3,250)	(1,205)	-	-
<u>12,168</u>	<u>2,880</u>	<u>(3,250)</u>	<u>(1,205)</u>	<u>61,522</u>	<u>2,604</u>
<u>13,909</u>	<u>2,880</u>	<u>-</u>	<u>22,763</u>	<u>67,379</u>	<u>2,604</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Balance Sheets - Governmental Funds - Continued
June 30, 2017

	NISN High Performing Schools 29138	Public School Capital Outlay 31200	SB-9 Capital Improvements Local 31701	Total
ASSETS				
Cash and Cash Equivalents	\$ 13,092	-	2,955	134,028
Accounts Receivable				
Due from Government	-	6,718	885	69,188
Due from Other Funds	-	-	-	60,267
Total Assets	\$ 13,092	6,718	3,840	263,483
LIABILITIES AND FUND BALANCES (DEFICIT)				
<i>Liabilities:</i>				
Accounts Payable	\$ 614	-	-	25,039
Accrued Expenditures	-	-	-	10,375
Due to Other Funds	-	6,718	-	60,267
Total Liabilities	614	6,718	-	95,681
<i>Fund Balances (Deficit):</i>				
Restricted for:				
Instruction	12,478	-	-	92,972
Food Service Operations	-	-	-	4,998
Capital Improvements	-	-	3,840	3,840
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	70,447
Unassigned (Deficit)	-	-	-	(4,455)
Total Fund Balances (Deficit)	12,478	-	3,840	167,802
Total Liabilities and Fund Balances (Deficit)	\$ 13,092	6,718	3,840	263,483

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 167,802**

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

Defined benefit pension plan deferred outflows are not financial Resources and, therefore, are not reported in the funds. 252,973

Defined benefit plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds. (2,957)

The net pension liability is not due and payable in the current Period and, therefore, is not reported in the funds. (310,886)

Net Position - Total Governmental Activities **\$ 106,932**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	275,900	518	-	-
Federal Grant	-	-	11,226	31,530
Total Revenues	275,900	518	11,226	31,530
EXPENDITURES				
Current:				
Instruction	54,010	196	-	31,530
Support Services:				
Students	12,436	-	-	-
Instruction	402	-	-	-
General Administration	21,442	-	-	-
School Administration	56,613	-	-	-
Central Services	9,128	-	-	-
Operation & Maintenance of Plant	44,821	-	-	-
Other Support Services Operations	110	-	-	-
Food Services Operations	7,498	-	6,228	-
Capital Outlay	-	-	-	-
Total Expenditures	206,460	196	6,228	31,530
Net Changes in Fund Balances	69,440	322	4,998	-
Fund Balances - Beginning of Year	1,007	998	-	-
Fund Balances (Deficit) - End of Year	\$ 70,447	1,320	4,998	-

The accompanying notes are an integral part of these financial statements

New American Program 25248	Golden Apple Foundation 26163	Albuquerque Community Foundation 26198	Indian Education Act 27150	Private Direct Grants 29102	City/ County Grants 29107
-	-	-	-	-	-
77,778	-	-	-	78,348	-
-	-	-	22,763	-	-
-	-	-	-	-	-
<u>77,778</u>	<u>-</u>	<u>-</u>	<u>22,763</u>	<u>78,348</u>	<u>-</u>
10,688	-	3,250	23,968	6,955	-
-	-	-	-	-	-
-	-	-	-	-	-
1,485	-	-	-	52	-
53,297	-	-	-	914	-
-	-	-	-	12,341	-
-	-	-	-	2,102	-
-	-	-	-	-	-
140	-	-	-	-	-
-	-	-	-	-	-
<u>65,610</u>	<u>-</u>	<u>3,250</u>	<u>23,968</u>	<u>22,364</u>	<u>-</u>
12,168	-	(3,250)	(1,205)	55,984	-
-	2,880	-	-	5,538	2,604
<u>12,168</u>	<u>2,880</u>	<u>(3,250)</u>	<u>(1,205)</u>	<u>61,522</u>	<u>2,604</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - Continued
Governmental Funds
For The Year Ended June 30, 2017**

	NISN High Performing Schools 29138	Public School Capital Outlay 31200	SB-9 Capital Improvements Local 31701	Total
REVENUES				
Property Taxes	\$ -	-	3,840	3,840
Local & County Grant	16,150	-	-	172,276
State Grant	-	26,873	-	326,054
Federal Grant	-	-	-	42,756
Total Revenues	16,150	26,873	3,840	544,926
EXPENDITURES				
Current:				
Instruction	1,114	-	-	131,711
Support Services:				
Students	-	-	-	12,436
Instruction	2,316	-	-	2,718
General Administration	-	-	-	22,979
School Administration	112	-	-	110,936
Central Services	-	-	-	21,469
Operation & Maintenance of Plant	-	-	-	46,923
Other Support Services Operations	-	-	-	110
Food Services Operations	130	-	-	13,996
Capital Outlay	-	26,873	-	26,873
Total Expenditures	3,672	26,873	-	390,151
Net Changes in Fund Balances	12,478	-	3,840	154,775
Fund Balances - Beginning of Year	-	-	-	13,027
Fund Balances (Deficit) - End of Year	\$ 12,478	-	3,840	167,802

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances - Total Governmental Funds **\$ 154,775**

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

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability.

(78,001)

Change in Net Position - Total Governmental Activities

\$ 76,774

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency</u>
ASSETS	
Cash in Bank	\$ 6,568
Total Assets	<u>\$ 6,568</u>
LIABILITIES	
Accounts Payable	\$ 421
Deposits Held for Others	6,147
Total Liabilities	<u>\$ 6,568</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Ditl'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ -	6,568	-	6,568
Total Assets	<u>\$ -</u>	<u>6,568</u>	<u>-</u>	<u>6,568</u>
 LIABILITIES				
Accounts Payable	\$ -	421	-	421
Deposits Held for Others	-	6,568	(421)	6,147
Total Liabilities	<u>\$ -</u>	<u>6,989</u>	<u>(421)</u>	<u>6,568</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Ditl'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Dzil Ditl'ooi School of Empowerment, Action and Perseverance's (DEAP) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. DEAP does not capitalize any interest with regard to its capital assets.

DEAP Education did not report any capital assets at June 30, 2017.

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 New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to DEAP and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal years ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal year ended June 30, 2017, DEAP paid employee and employer contributions of \$23,480. There were no employee and employer contributions for the fiscal year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, DEAP reported a liability of \$310,886 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

measurement date June 30, 2016. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016.

DEAP's proportion of the net pension liability is based on the employer contributing entity's percentage of the total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, DEAP proportion was 0.00432%, which was an increase of 0.00432% from its proportion measured as of June 30, 2105.

For the year ended June 30, 2017, DEAP recognized pension expense of \$101,500. At June 30, 2017, DEAP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,349	\$ (2,957)
Changes in assumptions	18,557	-
Net difference between projected and actual investment earnings	6,328	-
Changes in proportion and differences between DEAP's contributions and proportionate share of contributions	203,259	-
DEAP's contributions subsequent to the measurement date	23,480	-
Total	\$ 252,973	\$ (2,957)

The amount of \$23,480 reported as deferred outflows of resources related to pensions resulting from DEAP's contributions subsequent to the measurement date June 30, 2016 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 77,894
2018	78,829
2019	65,286
2020	4,527
Total	\$ 226,536

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Dít'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
DEAP proportionate share of the net pension liability	\$ 411,761	310,886	227,188

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s website at [www.nmerb.org/Annual reports.html](http://www.nmerb.org/Annual%20reports.html).

Payables to the pension plan. At June 30, 2017, DEAP owed \$3,110 to ERB for fiscal year 2017 contributions.

NOTE 3. OVERSPENT BUDGET LINE ITEMS

DEAP had expenditures in excess of the budgetary authority in the following funds at the function level:

Operational (11000)	
Food Services Operations	\$ 5,527
Native American Program (25248)	
Instructional	10,419
Food Services Operation	140
NISN High Performing Schools (29138)	
Food Services Operations	130

NOTE 4. DEFICIT FUND BALANCES

The following funds reported deficit fund balances at June 30, 2017. These deficits will be recovered through reimbursements received in fiscal year 2018:

Albuquerque Community Foundation (26198)	\$ 3,250
Indian Education Act (27150)	1,205

NOTE 5. RESTATEMENT

As a result of implementation of GASB No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*, net position at June 30, 2016 was restated in the amount of \$17,131.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

		30-Jun		
	Fiscal Year	2017	2016	2015
	Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)		0.004%	0.00%	0.00%
School's Proportionate Share of Net Pension Liability (Asset)	\$	311	-	-
School's Covered-Employee Payroll	\$	185	-	-
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		167.63%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for DEAP Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ -	-	23
Contributions in Relation to the Contractually Required Contribution	-	-	23
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for DEAP Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 395,524	275,901	275,900	(1)
Total Revenues	<u>395,524</u>	<u>275,901</u>	<u>275,900</u>	<u>(1)</u>
EXPENDITURES				
Current:				
Instruction	143,389	106,345	55,620	50,725
Support Services:				
Students	25,800	25,800	11,064	14,736
General Administration	50,732	50,732	19,214	31,518
School Administration	46,975	46,975	56,275	(9,300)
Central Services	5,500	5,500	8,423	(2,923)
Operation & Maintenance of Plant	86,088	47,928	42,594	5,334
Student Transportation	15,000	-	-	-
Other Support Services Operations	-	-	110	(110)
Food Services Operations	22,040	-	5,527	(5,527)
Total Expenditures	<u>395,524</u>	<u>283,280</u>	<u>198,827</u>	<u>84,453</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(7,379)</u>	<u>77,073</u>	<u>84,452</u>
Other Financing Sources (Uses):				
Designated Cash	-	7,379	-	(7,379)
Total Other Financing Sources (Uses):	<u>-</u>	<u>7,379</u>	<u>-</u>	<u>(7,379)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>77,073</u>	<u>77,073</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,007</u>	<u>1,007</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>78,080</u>	<u>78,080</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 77,073	
Adjustments to Revenues			-	
Adjustments to Expenditures			(7,633)	
NET CHANGE IN FUND BALANCE			<u>\$ 69,440</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 437	196	518	322
Total Revenues	437	196	518	322
EXPENDITURES				
Current:				
Instruction	437	196	196	-
Total Expenditures	437	196	196	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	322	322
Net Changes in Fund Balances	-	-	322	322
Cash or Fund Balances - Beginning of Year	-	-	998	998
Cash or Fund Balances - End of Year	\$ -	-	1,320	1,320
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 322	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 322	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	17,640	11,226	(6,414)
Total Revenues	<u>-</u>	<u>17,640</u>	<u>11,226</u>	<u>(6,414)</u>
EXPENDITURES				
Current:				
Food Services Operations	-	17,640	6,228	11,412
Total Expenditures	<u>-</u>	<u>17,640</u>	<u>6,228</u>	<u>11,412</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>4,998</u>	<u>4,998</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,998</u>	<u>4,998</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,998</u>	<u>4,998</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 4,998	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 4,998</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 13,140	31,925	-	(31,925)
Total Revenues	<u>13,140</u>	<u>31,925</u>	<u>-</u>	<u>(31,925)</u>
EXPENDITURES				
Current:				
Instruction	13,140	31,925	31,530	395
Total Expenditures	<u>13,140</u>	<u>31,925</u>	<u>31,530</u>	<u>395</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(31,530)</u>	<u>(31,530)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(31,530)</u>	<u>(31,530)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(31,530)</u>	<u>(31,530)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (31,530)	
Adjustments to Revenues			31,530	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Native American Program 25248
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	59,376	77,778	18,402
Total Revenues	<u>-</u>	<u>59,376</u>	<u>77,778</u>	<u>18,402</u>
EXPENDITURES				
Current:				
Instruction	-	-	10,419	(10,419)
Support Services:				
Students	-	24,375	-	24,375
General Administration	-	35,001	1,485	33,516
School Administration	-	-	53,297	(53,297)
Food Services Operations	-	-	140	(140)
Total Expenditures	<u>-</u>	<u>59,376</u>	<u>65,341</u>	<u>(5,965)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>12,437</u>	<u>12,437</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>12,437</u>	<u>12,437</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>12,437</u>	<u>12,437</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 12,437	
Adjustments to Revenues			-	
Adjustments to Expenditures			(269)	
NET CHANGE IN FUND BALANCE			<u>\$ 12,168</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Ditl'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Golden Apple Foundation 26163
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,880</u>	<u>2,880</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,880</u>	<u>2,880</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Albuquerque Community Foundation 26198
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	6,000	-	(6,000)
Total Revenues	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
EXPENDITURES				
Instruction	-	6,000	-	6,000
Total Expenditures	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>(3,250)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (3,250)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Indian Education Act 27150
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	25,000	-	(25,000)
Total Revenues	-	25,000	-	(25,000)
EXPENDITURES				
Current:				
Instruction	-	25,000	23,968	1,032
Total Expenditures	-	25,000	23,968	1,032
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(23,968)	(23,968)
Net Changes in Fund Balances	-	-	(23,968)	(23,968)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(23,968)	(23,968)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (23,968)	
Adjustments to Revenues			22,763	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (1,205)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	76,400	71,056	(5,344)
Total Revenues	-	76,400	71,056	(5,344)
EXPENDITURES				
Current:				
Instruction	-	13,344	6,955	6,389
Support Services:				
Students	-	53,056	-	53,056
General Administration	-	-	52	(52)
School Administration	-	-	914	(914)
Central Services	-	-	7,292	(7,292)
Operation & Maintenance of Plant	-	10,000	2,102	7,898
Total Expenditures	-	76,400	17,315	59,085
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	53,741	53,741
Net Changes in Fund Balances	-	-	53,741	53,741
Cash or Fund Balances - Beginning of Year	-	-	5,538	5,538
Cash or Fund Balances - End of Year	\$ -	-	59,279	59,279
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 53,741	
Adjustments to Revenues			7,292	
Adjustments to Expenditures			(5,049)	
NET CHANGE IN FUND BALANCE			\$ 55,984	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
City/County Grants 29107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	2,604	2,604
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,604</u>	<u>2,604</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
NISN High Performing Schools 29138
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	16,150	16,150	-
Total Revenues	-	16,150	16,150	-
EXPENDITURES				
Current:				
Instruction	-	13,650	499	13,151
Support Services:				
Instruction	-	-	2,316	(2,316)
General Administration	-	2,500	-	2,500
School Administration	-	-	112	(112)
Food Services Operations	-	-	130	(130)
Total Expenditures	-	16,150	3,057	13,093
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	13,093	13,093
Net Changes in Fund Balances	-	-	13,093	13,093
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	13,093	13,093
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 13,093	
Adjustments to Revenues			-	
Adjustments to Expenditures			(615)	
NET CHANGE IN FUND BALANCE			\$ 12,478	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	26,873	29,668	2,795
Total Revenues	<u>-</u>	<u>26,873</u>	<u>29,668</u>	<u>2,795</u>
EXPENDITURES				
Capital Outlay	-	26,873	26,873	-
Total Expenditures	<u>-</u>	<u>26,873</u>	<u>26,873</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	2,795	2,795
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,795</u>	<u>2,795</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,795</u>	<u>2,795</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,795	
Adjustments to Revenues			(2,795)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	2,955	2,955
Total Revenues	<u>-</u>	<u>-</u>	<u>2,955</u>	<u>2,955</u>
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	2,955	2,955
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,955</u>	<u>2,955</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,955</u>	<u>2,955</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,955	
Adjustments to Revenues			885	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 3,840</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
N/A	N/A	N/A	N/A	\$ -
				<u>\$ -</u>

Total Cash per Schedule of Cash Accounts:	\$	144,015
Less: FDIC coverage:		<u>(144,015)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		<u>-</u>
Balance Over Collateralized:	\$	<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo Bank</u>
Checking - Operational Account	\$ 144,015
<i>Total on Deposit</i>	144,015
Reconciling Items	<u>(3,419)</u>
Reconciled Balance June 30, 2017	<u>140,596</u>
Less: Agency Funds	<u>(6,568)</u>
<i>Total Cash</i>	<u><u>\$ 134,028</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Support 23000
Cash, June 30, 2016	\$ 1,370	998	-	-
Add:				
2016-17 revenues	275,900	518	11,226	6,568
Total Cash Available	277,270	1,516	11,226	6,568
Less:				
2016-17 expenditures	(198,827)	(196)	(6,228)	-
Receivables/Payables	6,147	-	-	-
Outstanding Loans	(60,267)	-	-	-
Cash June 30, 2017	24,323	1,320	4,998	6,568
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	7,860	-	-	-
Cash Per Books	32,183	1,320	4,998	6,568
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	38,264	-	-	(6,568)
Fund Balance, Modified Accrual Basis	<u>\$ 70,447</u>	<u>1,320</u>	<u>4,998</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Flowthrough Account 24000	Federal Direct Grants 25000	Local Grants Fund 26000	State Flowthrough Grants 27000	Combined Local/State Grants 29000	Public School Capital Outlay 31000
-	-	2,880	-	8,142	-
-	77,778	-	-	87,206	29,668
-	77,778	2,880	-	95,348	29,668
(31,530)	(65,341)	-	(23,968)	(3,057)	(26,873)
1,190	1,472	-	759	807	-
30,340	-	-	23,209	-	6,718
-	13,909	2,880	-	93,098	9,513
-	-	-	-	(17,315)	(9,513)
-	13,909	2,880	-	75,783	-
-	(1,741)	(3,250)	(1,205)	821	-
-	12,168	(370)	(1,205)	76,604	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Dzil Diti'ooi School of Empowerment, Action and Perseverance (DEAP) Charter School
Cash Reconciliation - continued
June 30, 2017

	SB-9 Capital Improvements	
	Local 31701	Total
	<u>31701</u>	<u>Total</u>
Cash, June 30, 2016	\$ -	13,390
Add:		
2016-17 revenues	-	488,864
Total Cash Available	-	502,254
Less:		
2016-17 expenditures	-	(356,020)
Receivables/Payables	-	10,375
Outstanding Loans	-	-
Cash June 30, 2017	-	156,609
Fund Balance Reconciliations to GAAP Basis:		
Audit reclassifications to cash	2,955	(16,013)
Cash Per Books	2,955	140,596
Less: Agency Fund		(6,568)
		134,028
Fund Balance Reconciliation to GAAP Basis:		
Modified Accrual Adjustments	885	27,206
Fund Balance, Modified Accrual Basis	\$ 3,840	167,802

The accompanying notes are an integral part of these financial statements

ESTANCIA VALLEY CLASSICAL ACADEMY

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 164,101
Receivables	
Due from Other Governments	150,372
Deposits	<u>38,118</u>
Total Current Assets	<u><u>352,591</u></u>

Noncurrent Assets:

Capital Assets	
Construction-in-process	369,372
Land	8,989
Leasehold Improvements	728,663
Furniture, Fixtures, and Equipment	34,799
Less: Accumulated Depreciation	<u>(722,815)</u>
Total Noncurrent Assets	<u><u>419,008</u></u>
Total Assets	<u><u>771,599</u></u>

Deferred Outflows - Pension Related

754,764

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	11,099
Accrued Liabilities	185,029
Current Portion of Long-term Debt	<u>13,902</u>
Total Current Liabilities	<u><u>210,030</u></u>

Noncurrent Liabilities:

Long-term Debt, Net of Current Portion	-
Net Pension Liability	<u>3,634,199</u>
Total Noncurrent Liabilities	<u><u>3,634,199</u></u>
Total Liabilities	<u><u>3,844,229</u></u>

Deferred Inflows - Pension Related

63,267

NET POSITION (DEFICIT)

Net Investment in Capital Assets	405,106
Restricted	61,429
Unrestricted (Deficit)	<u>(2,847,668)</u>
Total Net Position (Deficit)	<u><u>\$ (2,381,133)</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Statement of Activities
For The Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 2,088,730	-	211,837	-	(1,876,893)
Support Services:					
Students	212,202	-	49,446	-	(162,756)
Instruction	3,857	-	3,857	-	-
General Administration	44,773	-	-	-	(44,773)
School Administration	227,665	-	1,013	-	(226,652)
Central Services	52,200	-	-	-	(52,200)
Operation & Maintenance of Plant	548,300	-	-	-	(548,300)
Interest on Long-term Debt	4,076	-	-	-	(4,076)
Facilities Materials, Supplies & Other Services	465,004	-	206,802	301,494	43,292
Total Governmental Activities	\$ 3,646,807	-	472,955	301,494	(2,872,358)
			General Revenues:		
			Property Taxes	\$ 148,214	
			State Equalization Guarantee	2,456,773	
			Miscellaneous	2,333	
			Total General Revenues	<u>2,607,320</u>	
			Change in Net Position		(265,038)
			Net Position (Deficit), Beginning		<u>(2,116,095)</u>
			Net Position (Deficit), Ending		<u>\$ (2,381,133)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS				
Cash and Cash Equivalents	\$ 57,913	11,398	-	-
Accounts Receivable				
Due from Other Governments	-	-	12,440	75,191
Due from Other Funds	142,445	-	-	-
Deposits	-	-	-	-
Total Assets	\$ 200,358	11,398	12,440	75,191
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 6,950	-	-	-
Accrued Expenditures	177,102	-	2,650	1,797
Deposit Payable	-	-	-	-
Due to Other Funds	-	-	9,790	73,394
Total Liabilities	184,052	-	12,440	75,191
Fund Balances				
Fund Balance:				
Nonspendable:				
Deposits	-	-	-	-
Restricted for:				
Instruction	-	11,398	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	16,306	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	16,306	11,398	-	-
Total Liabilities and Fund Balances	\$ 200,358	11,398	12,440	75,191

The accompanying notes are an integral part of these financial statements

Federal Charter School Planning 24146	Teacher Principal Training 24154	CNM Foundation 26207	Dual Credit Instructional Materials 27103	Literacy for Children at Risk 27107	Center for Teacher Excellence 27114	Public School Capital Outlay 31200
-	-	-	-	-	-	-
-	5,010	-	-	409	57,322	-
-	-	-	-	-	-	-
50,740	-	-	-	-	-	-
<u>50,740</u>	<u>5,010</u>	<u>-</u>	<u>-</u>	<u>409</u>	<u>57,322</u>	<u>-</u>
-	-	-	-	-	-	-
-	599	-	-	-	2,881	-
-	-	-	-	-	-	-
-	4,411	-	-	409	54,441	-
-	<u>5,010</u>	<u>-</u>	<u>-</u>	<u>409</u>	<u>57,322</u>	<u>-</u>
50,740	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>50,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>50,740</u>	<u>5,010</u>	<u>-</u>	<u>-</u>	<u>409</u>	<u>57,322</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	SB-9 Capital Improvements 31700	Capital Improvements SB-9 Local 31701	Foundation	Total
ASSETS				
Cash and Cash Equivalents	\$ -	50,031	44,759	164,101
Accounts Receivable				
Due from Other Governments	-	-	-	150,372
Due from Other Funds	-	-	-	142,445
Deposits	-	-	38,118	88,858
Total Assets	\$ -	50,031	82,877	545,776
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	-	4,149	11,099
Accrued Expenditures	-	-	-	185,029
Deposit Payable	-	-	50,740	50,740
Due to Other Funds	-	-	-	142,445
Total Liabilities	-	-	54,889	389,313
Fund Balances				
Fund Balance:				
Nonspendable:				
Deposits	-	-	38,118	88,858
Restricted for:				
Instruction	-	-	-	11,398
Capital Improvements	-	50,031	-	50,031
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	16,306
Unassigned	-	-	(10,130)	(10,130)
Total Fund Balance	-	50,031	27,988	156,463
Total Liabilities and Fund Balances	\$ -	50,031	82,877	545,776

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 156,463**

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

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

Capital Assets	1,141,823	
Accumulated Depreciation	<u>(722,815)</u>	
		419,008

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		754,764
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(63,267)
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Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		(13,902)
--	--	----------

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(3,634,199)</u>
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Net Position-Total Governmental Activities		<u><u>\$ (2,381,133)</u></u>
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The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	2,456,773	28,512	-	-
Federal Grant	-	-	55,166	75,191
Charges for Services	-	-	-	-
Contributions	35,000	-	-	-
Miscellaneous Income	2,133	-	-	-
Total Revenues	2,493,906	28,512	55,166	75,191
EXPENDITURES				
Current:				
Instruction	1,615,191	31,197	55,166	25,745
Support Services:				
Students	139,921	-	-	49,446
Instruction	-	-	-	-
General Administration	44,773	-	-	-
School Administration	191,094	-	-	-
Central Services	52,200	-	-	-
Operation & Maintenance of Plant	484,640	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	2,527,819	31,197	55,166	75,191
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(33,913)</u>	<u>(2,685)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(33,913)</u>	<u>(2,685)</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>50,219</u>	<u>14,083</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 16,306</u>	<u>11,398</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Charter School Planning 24146	Teacher Principal Training 24154	CNM Foundation 26207	Dual Credit Instructional Materials 27103	Literacy for Children at Risk 27107	Center for Teacher Excellence 27114	Public School Capital Outlay 31200
-	-	-	-	-	-	-
-	-	1,000	-	-	-	-
-	-	-	566	3,857	88,999	301,494
-	12,862	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>12,862</u>	<u>1,000</u>	<u>566</u>	<u>3,857</u>	<u>88,999</u>	<u>301,494</u>
-	11,849	1,000	566	-	88,999	-
-	-	-	-	-	-	-
-	-	-	-	3,857	-	-
-	-	-	-	-	-	-
-	1,013	-	-	-	-	-
-	-	-	-	-	-	-
49,260	-	-	-	-	-	-
-	-	-	-	-	-	301,494
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>49,260</u>	<u>12,862</u>	<u>1,000</u>	<u>566</u>	<u>3,857</u>	<u>88,999</u>	<u>301,494</u>
<u>(49,260)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(49,260)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>50,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	SB-9 Capital Improvements 31700	Capital Improvements SB-9 Local 31701	Foundation	Total
REVENUES				
Property Taxes	\$ -	148,214	-	148,214
Local & County Grant	-	-	129,199	130,199
State Grant	-	-	-	2,880,201
Federal Grant	-	-	-	143,219
Charges for Services	-	-	591,125	591,125
Contributions	-	-	77,603	112,603
Miscellaneous Income	-	-	200	2,333
Total Revenues	-	148,214	798,127	4,007,894
EXPENDITURES				
Current:				
Instruction	-	-	-	1,829,713
Support Services:				
Students	-	-	-	189,367
Instruction	-	-	-	3,857
General Administration	-	-	-	44,773
School Administration	-	-	-	192,107
Central Services	-	-	-	52,200
Operation & Maintenance of Plant	-	-	-	533,900
Capital Outlay	-	200,472	617,139	1,119,105
Debt service				
Principal	-	-	69,343	69,343
Interest	-	-	4,076	4,076
Total Expenditures	-	200,472	690,558	4,038,441
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>-</i>	<i>(52,258)</i>	<i>107,569</i>	<i>(30,547)</i>
Other financing sources (uses):				
Transfers in (out)	(102,289)	102,289	-	-
Total other financing sources (uses)	(102,289)	102,289	-	-
Net Changes in Fund Balances	(102,289)	50,031	107,569	(30,547)
Fund Balances - Beginning of Year	102,289	-	(79,581)	187,010
Fund Balances - End of Year	\$ -	50,031	27,988	156,463

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (30,547)**

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

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 capital outlay exceeds
depreciation for the period

Capital Outlays	190,336	
Depreciation Expense	<u>(167,952)</u>	
		22,384

The issuance of long-term debt 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. This is the amount of principal payments

69,343

Changes in deferred outflows of resources-pension related,
deferred inflows of resources-pension related, and the net
pension liability

(326,218)

Change in Net Position-Total Governmental Activities **\$ (265,038)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 15,956
Total Assets	<u>\$ 15,956</u>
LIABILITIES	
Deposits Held for Others	\$ 15,956
Total Liabilities	<u>\$ 15,956</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 11,770	20,778	(16,592)	15,956
Total Assets	<u>\$ 11,770</u>	<u>20,778</u>	<u>(16,592)</u>	<u>15,956</u>
LIABILITIES				
Deposits Held for Others	\$ 11,770	20,778	(16,592)	15,956
Total Liabilities	<u>\$ 11,770</u>	<u>20,778</u>	<u>(16,592)</u>	<u>15,956</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Estancia Valley Classical Academy's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Estancia Valley Classical Academy does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Estancia Valley Classical Academy utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	3-7 years
Leasehold Improvements	4-5 years

Capital assets for Estancia Valley Classical Academy are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
<i>Capital Assets not being Depreciated:</i>				
Construction-in-process	\$ 179,036	190,336	-	369,372
Land	8,989	-	-	8,989
<i>Total</i>	188,025	190,336	-	378,361
<i>Capital Assets being Depreciated:</i>				
Leasehold Improvements	728,663	-	-	728,663
Furniture, Fixtures and Equipment	34,799	-	-	34,799
<i>Total</i>	763,462	-	-	763,462
<i>Less: Accumulated Depreciation</i>				
Leasehold Improvements	(535,134)	(162,360)	-	(697,494)
Furniture, Fixtures and Equipment	(19,729)	(5,592)	-	(25,321)
<i>Total</i>	(554,863)	(167,952)	-	(722,815)
Capital Assets, Net	\$ 396,624	22,384	-	419,008

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Operations & Maintenance of Plant	\$	5,592
Facilities, Materials, Supplies & Other Services		162,360
Total	\$	167,952

NOTE 3. LONG-TERM DEBT

The Estancia Valley Classical Academy Foundation (Foundation) entered into two financing agreements to finance portions of the installation and delivery costs for modular buildings. The agreements were entered into on August 15, 2012 and October 15, 2013. Both agreements have an annual interest rate of 8%. During fiscal year 2017, interest expense totaled \$4,075 and principal payments totaled \$69,343. The total notes payable as of June 30, 2017 are as follows:

Installation and Delivery Financing Agreement for Modular Buildings 1 and 2; Interest rate 8% due in monthly installments; Maturing August 1, 2017	\$	8,515
Installation and Delivery Financing Agreement for Modular Building 3; Interest rate 8% due in monthly installments; Maturing August 1, 2017		5,387
Total notes payable	\$	13,902

The aggregate amounts of principal maturities and interest of notes payable are as follows:

	Principal	Interest	Total
2018	\$ 13,902	153	14,055
Total	\$ 13,902	153	14,055

NOTE 4. COMMITMENTS AND LIABILITIES

The school leases various equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$591,128. The school's minimum future payments on these leases are as follows:

Year Ending June 30:	
2018	\$ 583,064
Total	\$ 583,064

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 4. COMMITMENTS AND LIABILITIES (CONTINUED)

The Foundation approved operating leases for modular buildings on August 5, 2012 and August 19, 2013. The Foundation also entered into a land lease on July 20, 2012. The Foundation's minimum future payments on the buildings and land leases are as follows:

Year Ending June 30:	
2018	\$ 495,391
Total	<u>\$ 495,391</u>

NOTE 5. RELATED PARTY TRANSACTIONS

The School has a Foundation which subleases the property to the school. The Foundation is considered a component unit of the School and is presented as a blended component unit. During fiscal year 2017, the School received contributions totaling \$35,000 from the Foundation.

The Executive Director's spouse is employed by Estancia Valley Classical Academy as a teacher.

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Estancia Valley Classical Academy and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal years ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Estancia Valley Classical Academy paid employee and employer contributions of \$208,561 and \$185,453.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Estancia Valley Classical Academy reported a liability of \$3,634,199 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Estancia Valley Classical Academy’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Estancia Valley Classical Academy’s proportion was 0.05050%, which was a decrease of 0.00061% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Estancia Valley Classical Academy recognized pension expense of \$550,952. At June 30, 2017, Estancia Valley Classical Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,767	(34,566)
Changes in assumptions	73,978	-
Net difference between projected and actual earnings on pension plan investments	216,931	-
Changes in proportion and differences between Estancia Valley Classical Academy’s contributions and proportionate share of contributions	239,527	(28,701)
Estancia Valley Classical Academy’s contributions subsequent to the measurement date	<u>208,561</u>	<u>-</u>
Total	<u>\$ 754,764</u>	<u>(63,267)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$208,561 reported as deferred outflows of resources related to pensions resulting from Estancia Valley Classical Academy' contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	251,147
2019		84,151
2020		94,737
2021		<u>52,901</u>
Total	\$	<u>482,936</u>

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The School's proportionate share of the net pension liability	<u>\$ 4,813,412</u>	<u>3,634,199</u>	<u>2,655,785</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Estancia Valley Classical Academy owed \$56,296 to ERB for fiscal year 2017 contributions.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	Fiscal Year	30-Jun		
		2017	2016	2015
	Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)		0.05050%	0.05111%	0.04903%
School's Proportionate Share of Net Pension Liability (Asset)	\$	3,634	3,311	2,798
School's Covered-Employee Payroll	\$	1,384	1,395	1,351
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	237.31%	206.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Estancia Valley Classical Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 198	185	209
Contributions in Relation to the Contractually Required Contribution	198	185	209
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Estancia Valley Classical Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Contributions	\$ -	35,000	35,000	-
State Grant	2,256,969	2,456,773	2,456,774	1
Miscellaneous Income	-	12,959	12,989	30
Total Revenues	<u>2,256,969</u>	<u>2,504,732</u>	<u>2,504,763</u>	<u>31</u>
EXPENDITURES				
Current:				
Instruction	1,522,294	1,636,248	1,631,866	4,382
Support Services:				
Students	78,951	157,151	148,148	9,003
General Administration	17,500	42,000	41,933	67
School Administration	188,476	201,426	191,094	10,332
Central Services	62,000	46,040	52,200	(6,160)
Operation & Maintenance of Plant	436,478	525,369	521,844	3,525
Total Expenditures	<u>2,305,699</u>	<u>2,608,234</u>	<u>2,587,085</u>	<u>21,149</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(48,730)</u>	<u>(103,502)</u>	<u>(82,322)</u>	<u>21,180</u>
Other Financing Sources (Uses):				
Designated Cash	48,730	103,502	-	(103,502)
Total Other Financing Sources (Uses):	<u>48,730</u>	<u>103,502</u>	<u>-</u>	<u>(103,502)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(82,322)</u>	<u>(82,322)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>50,219</u>	<u>50,219</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(32,103)</u>	<u>(32,103)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (82,322)	
Adjustments to Revenues			(10,857)	
Adjustments to Expenditures			59,266	
NET CHANGE IN FUND BALANCE			<u>\$ (33,913)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 23,376	25,417	28,512	3,095
Total Revenues	<u>23,376</u>	<u>25,417</u>	<u>28,512</u>	<u>3,095</u>
EXPENDITURES				
Current:				
Instruction	23,376	39,500	31,197	8,303
Total Expenditures	<u>23,376</u>	<u>39,500</u>	<u>31,197</u>	<u>8,303</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(14,083)</u>	<u>(2,685)</u>	<u>11,398</u>
Other Financing Sources (Uses):				
Designated Cash	-	14,083	-	(14,083)
Total Other Financing Sources (Uses):	<u>-</u>	<u>14,083</u>	<u>-</u>	<u>(14,083)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,685)</u>	<u>(2,685)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>14,083</u>	<u>14,083</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>11,398</u>	<u>11,398</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (2,685)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (2,685)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 47,503	55,380	99,627	44,247
Total Revenues	<u>47,503</u>	<u>55,380</u>	<u>99,627</u>	<u>44,247</u>
EXPENDITURES				
Current:				
Instruction	47,503	55,380	55,166	214
Total Expenditures	<u>47,503</u>	<u>55,380</u>	<u>55,166</u>	<u>214</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	44,461	44,461
Net Changes in Fund Balances	-	-	44,461	44,461
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>44,461</u>	<u>44,461</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 44,461	
Adjustments to Revenues			(44,461)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 54,395	76,521	56,612	(19,909)
Total Revenues	<u>54,395</u>	<u>76,521</u>	<u>56,612</u>	<u>(19,909)</u>
EXPENDITURES				
Current:				
Instruction	46,000	27,075	25,745	1,330
Support Services:				
Students	8,395	49,446	49,446	-
Total Expenditures	<u>54,395</u>	<u>76,521</u>	<u>75,191</u>	<u>1,330</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(18,579)	(18,579)
Net Changes in Fund Balances	-	-	(18,579)	(18,579)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(18,579)</u>	<u>(18,579)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (18,579)	
Adjustments to Revenues			18,579	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Federal Charter School Planning 24146
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Operation & Maintenance of Plant	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>(49,260)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (49,260)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 11,573	17,487	20,719	3,232
Total Revenues	<u>11,573</u>	<u>17,487</u>	<u>20,719</u>	<u>3,232</u>
EXPENDITURES				
Current:				
Instruction	9,573	15,487	11,849	3,638
Support Services:				
School Administration	2,000	2,000	1,013	987
Total expenditures	<u>11,573</u>	<u>17,487</u>	<u>12,862</u>	<u>4,625</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	7,857	7,857
Net changes in Fund Balances	-	-	7,857	7,857
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>7,857</u>	<u>7,857</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 7,857	
Adjustments to Revenues			(7,857)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
CNM Foundation 26207
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	1,000	1,000	-
Total Revenues	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	1,000	1,000	-
Total expenditures	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	636	860	224
Total Revenues	<u>-</u>	<u>636</u>	<u>860</u>	<u>224</u>
EXPENDITURES				
Current:				
Instruction	-	636	566	70
Total Expenditures	<u>-</u>	<u>636</u>	<u>566</u>	<u>70</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	294	294
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>294</u>	<u>294</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>294</u>	<u>294</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 294	
Adjustments to revenues			(294)	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Literacy for Children at Risk 27107
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	4,092	3,448	(644)
Total Revenues	<u>-</u>	<u>4,092</u>	<u>3,448</u>	<u>(644)</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	-	4,092	3,857	235
Total Expenditures	<u>-</u>	<u>4,092</u>	<u>3,857</u>	<u>235</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(409)</u>	<u>(409)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(409)</u>	<u>(409)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(409)</u>	<u>(409)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (409)	
Adjustments to revenues			409	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Center for Teacher Excellence 27114
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	89,000	81,664	(7,336)
Total Revenues	<u>-</u>	<u>89,000</u>	<u>81,664</u>	<u>(7,336)</u>
EXPENDITURES				
Current:				
Instruction	-	89,000	88,999	1
Total Expenditures	<u>-</u>	<u>89,000</u>	<u>88,999</u>	<u>1</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,335)</u>	<u>(7,335)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(7,335)</u>	<u>(7,335)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(7,335)</u>	<u>(7,335)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (7,335)	
Adjustments to Revenues			7,335	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	301,494	301,494	-
Total Revenues	<u>-</u>	<u>301,494</u>	<u>301,494</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	301,494	301,494	-
Total Expenditures	<u>-</u>	<u>301,494</u>	<u>301,494</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 765	10,975	2,261	(8,714)
Total Revenues	<u>765</u>	<u>10,975</u>	<u>2,261</u>	<u>(8,714)</u>
EXPENDITURES				
Capital Outlay	765	10,975	-	10,975
Total Expenditures	<u>765</u>	<u>10,975</u>	<u>-</u>	<u>10,975</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>2,261</u>	<u>2,261</u>
Other Financing Sources (Uses):				
Transfers out	-	-	(102,289)	(102,289)
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>(102,289)</u>	<u>(102,289)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(100,028)</u>	<u>(100,028)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>102,289</u>	<u>102,289</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,261</u>	<u>2,261</u>
Reconciliation to GAAP Basis:				
<i>Net Changes in Fund Balances</i>			\$ (100,028)	
Adjustments to Revenues			(2,261)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (102,289)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 Local 31701
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Property Taxes	\$ 151,480	151,480	148,214	(3,266)
Total Revenues	<u>151,480</u>	<u>151,480</u>	<u>148,214</u>	<u>(3,266)</u>
EXPENDITURES				
Capital Outlay	275,952	253,769	200,472	53,297
Total Expenditures	<u>275,952</u>	<u>253,769</u>	<u>200,472</u>	<u>53,297</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(124,472)</u>	<u>(102,289)</u>	<u>(52,258)</u>	<u>50,031</u>
Other Financing Sources (Uses):				
Transfers in	102,289	102,289	102,289	-
Total Other Financing Sources (Uses):	<u>102,289</u>	<u>102,289</u>	<u>102,289</u>	<u>-</u>
Net Changes in Fund Balances	<u>(22,183)</u>	<u>-</u>	<u>50,031</u>	<u>50,031</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (22,183)</u>	<u>-</u>	<u>50,031</u>	<u>50,031</u>
Reconciliation to GAAP Basis:				
<i>Net Changes in Fund Balances</i>			\$ 50,031	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 50,031</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
US Bank	FHLMC GOLD POOL G18549	312MMTF0	4/1/2030	\$ 148,726
				<u>\$ 148,726</u>
Total Cash in Bank for the School per Schedule of Cash Accounts:				\$ 191,935
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				-
Collateral Requirement:				-
Pledged Collateral Held by Pledging Financial Institution:				<u>148,726</u>
Balance Over Collateralized:				<u>\$ 148,726</u>
School Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>US Bank</u>
Checking - Operational Account	\$ 175,979
Checking - Activity Account	15,956
Checking - Foundation	<u>88,496</u>
<i>Total on Deposit</i>	280,431
Reconciling Items	<u>(100,374)</u>
Reconciled Balance June 30, 2017	<u>180,057</u>
Less Agency Funds	<u>(15,956)</u>
<i>Total Cash</i>	<u><u>\$ 164,101</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Non-Instruct. Fund 23000	Federal Projects Account 24000
Cash, June 30, 2016	\$ 99,394	14,083	11,770	-
Add:				
2016-17 revenues	2,504,763	28,512	20,778	176,958
Total Cash Available	2,604,157	42,595	32,548	176,958
Less:				
2016-17 expenditures	(2,585,008)	(31,197)	(16,592)	(143,219)
Receivables/Payables	177,102	-	-	5,046
Cash Transfers	-	-	-	-
Outstanding Loans	(142,445)	-	-	87,595
Cash June 30, 2017	53,806	11,398	15,956	126,380
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	4,107	-	-	(126,380)
Cash Per Books	57,913	11,398	15,956	-
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(41,607)	-	(15,956)	50,740
Fund Balance, Modified Accrual Basis	<u>\$ 16,306</u>	<u>11,398</u>	<u>-</u>	<u>50,740</u>

The accompanying notes are an integral part of these financial statements

Local Grants 26000	State Account 27000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Capital Improvements SB-9 Local 31701	Total
-	-	-	100,028	-	225,275
1,000	85,972	301,494	2,261	148,214	3,269,952
1,000	85,972	301,494	102,289	148,214	3,495,227
(1,000)	(93,422)	(301,494)	-	(200,472)	(3,372,404)
-	2,881	-	-	-	185,029
-	-	-	(102,289)	102,289	-
-	54,850	-	-	-	-
-	50,281	-	-	50,031	307,852
-	(50,281)	-	-	-	(172,554)
-	-	-	-	50,031	135,298
				Less - Agency Fund:	(15,956)
				Balance Sheet-Foundation:	44,759
					<u>\$ 164,101</u>
-	-	-	-	-	(6,823)
-	-	-	-	50,031	128,475
				Add: Foundation:	27,988
					<u>\$ 156,463</u>

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2017

VOLUME VI



**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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EXPLORE ACADEMY

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 175,109
Receivables	
Taxes Receivable	2,398
Due from Other Governments	17,855
Total Current Assets	<u>195,362</u>
Total Assets	<u>195,362</u>

Deferred Outflows - Pension Related	<u>2,049,813</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	10,674
Accrued Liabilities	252,343
Total Current Liabilities	<u>263,017</u>

Noncurrent Liabilities:

Net Pension Liability	3,191,618
Total Noncurrent Liabilities	<u>3,191,618</u>

Total Liabilities	<u>3,454,635</u>
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Deferred Inflows - Pension Related	<u>30,256</u>
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NET POSITION (DEFICIT)

Restricted	75,340
Unrestricted (Deficit)	(1,315,056)
Total Net Position (Deficit)	<u>\$ (1,239,716)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 2,270,621	18,807	81,392	-	(2,170,422)
Support Services:					
Students	165,599	-	-	-	(165,599)
Instruction	807	-	-	-	(807)
General Administration	42,342	-	-	-	(42,342)
School Administration	194,132	-	-	-	(194,132)
Central Services	160,499	-	-	-	(160,499)
Operation & Maintenance of Plant	403,398	-	-	-	(403,398)
Student Transportation	104,513	-	91,663	-	(12,850)
Food Services	20,226	11,558	-	-	(8,668)
Facilities, Materials, Supplies & Other Services	221,746	-	-	167,846	(53,900)
Total Governmental Activities	\$ 3,583,883	30,365	173,055	167,846	(3,212,617)
General Revenues:					
Property Taxes					\$ 120,361
State Equalization Guarantee					2,023,123
Miscellaneous					4,115
Total General Revenues					<u>2,147,599</u>
Change in Net Position					(1,065,018)
Net Position (Deficit), Beginning					<u>(174,698)</u>
Net Position (Deficit), Ending					<u>\$ (1,239,716)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
ASSETS			
Cash and Cash Equivalents	\$ 96,975	2,446	11,625
Accounts Receivable			
Taxes Receivable	-	-	-
Due from Government	-	-	-
Due from Other Funds	11,704	-	-
Total Assets	\$ 108,679	2,446	11,625
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 10,674	-	-
Accrued Liabilities	241,000	-	-
Due to Other Funds	-	-	-
Total Liabilities	251,674	-	-
Fund Balances (Deficit)			
Fund Balance:			
Restricted for:			
Instruction	-	-	11,625
Student Transportation	-	2,446	-
Capital Improvements	-	-	-
Unassigned (Deficit)	(142,995)	-	-
Total Fund Balance (Deficit)	(142,995)	2,446	11,625
Total Liabilities and Fund Balances	\$ 108,679	2,446	11,625

The accompanying notes are an integral part of these financial statements

Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Dual Credit Instructional Materials 27103	2012 GO Bond Student Library 27107
-	-	-	-	-
-	-	-	-	-
-	8,628	9,227	-	-
-	-	-	-	-
<u>-</u>	<u>8,628</u>	<u>9,227</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	6,036	5,307	-	-
-	5,765	5,939	-	-
<u>-</u>	<u>11,801</u>	<u>11,246</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>(3,173)</u>	<u>(2,019)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(3,173)</u>	<u>(2,019)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>8,628</u>	<u>9,227</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Balance Sheets - Governmental Funds - Continued
June 30, 2017

	Public School Capital Outlay 31200	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Total Government
ASSETS				
Cash and Cash Equivalents	\$ -	64,063	-	175,109
Accounts Receivable				
Taxes Receivable	-	2,398	-	2,398
Due from Government	-	-	-	17,855
Due from Other Funds	-	-	-	11,704
Total Assets	\$ -	66,461	-	207,066
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	-	-	10,674
Accrued Liabilities	-	-	-	252,343
Due to Other Funds	-	-	-	11,704
Total Liabilities	-	-	-	274,721
<i>Fund Balances (Deficit)</i>				
Fund Balance:				
Restricted for:				
Instruction	-	-	-	11,625
Student Transportation	-	-	-	2,446
Capital Improvements	-	66,461	-	66,461
Unassigned (Deficit)	-	-	-	(148,187)
Total Fund Balance (Deficit)	-	66,461	-	(67,655)
Total Liabilities and Fund Balances	\$ -	66,461	-	207,066

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Reconciliation of the Balance Sheets of Governmental Funds to the
Statement of Net Position
June 30, 2017**

Fund Balance (Deficit) - Total Governmental Funds **\$ (67,655)**

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

Defined benefit pension plan deferred outflows are not financial
resources and, therefore, are not reported in the funds 2,049,813

Long-term liabilities are not due in the current period and, therefore,
are not reported in the funds.

Net Pension Liability (3,191,618)

Defined benefit pension plan deferred inflows are not due and
payable in the current period and, therefore, are not reported in the (30,256)

Net Position (Deficit) - Total Governmental Activities **\$ (1,239,716)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
REVENUES			
Property Taxes	\$ -	-	-
State Grant	2,023,123	91,663	13,140
Federal Grant	-	-	-
Charges for Services	18,807	-	-
Miscellaneous	4,115	-	-
Total Revenues	<u>2,046,045</u>	<u>91,663</u>	<u>13,140</u>
EXPENDITURES			
Current:			
Instruction	1,404,802	-	11,780
Support Services:			
Students	144,855	-	-
Instruction	807	-	-
General Administration	42,342	-	-
School Administration	194,132	-	-
Central Services	160,499	-	-
Operation & Maintenance of Plant	403,398	-	-
Student Transportation	7,644	96,869	-
Food Services Operations	8,549	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>2,367,028</u>	<u>96,869</u>	<u>11,780</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(320,983)</u>	<u>(5,206)</u>	<u>1,360</u>
Net Changes in Fund Balances	<u>(320,983)</u>	<u>(5,206)</u>	<u>1,360</u>
Fund Balances - Beginning of Year	<u>177,988</u>	<u>7,652</u>	<u>10,265</u>
Fund Balances (Deficit) - End of Year	<u>\$ (142,995)</u>	<u>2,446</u>	<u>11,625</u>

The accompanying notes are an integral part of these financial statements

Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Dual Credit Instructional Materials 27103	2012 GO Bond Student Library 27107
-	-	-	-	-
-	-	-	445	-
-	42,982	24,825	-	-
11,558	-	-	-	-
-	-	-	-	-
<u>11,558</u>	<u>42,982</u>	<u>24,825</u>	<u>445</u>	<u>-</u>
-	25,411	26,844	445	-
-	20,744	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
11,677	-	-	-	-
-	-	-	-	-
<u>11,677</u>	<u>46,155</u>	<u>26,844</u>	<u>445</u>	<u>-</u>
<u>(119)</u>	<u>(3,173)</u>	<u>(2,019)</u>	<u>-</u>	<u>-</u>
<u>(119)</u>	<u>(3,173)</u>	<u>(2,019)</u>	<u>-</u>	<u>-</u>
<u>119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(3,173)</u>	<u>(2,019)</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT

Explore Academy

Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - continued

Governmental Funds

For The Year Ended June 30, 2017

	Public School Capital Outlay 31200	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Total Government
REVENUES				
Property Taxes	\$ -	120,361	-	120,361
State Grant	163,079	-	4,767	2,296,217
Federal Grant	-	-	-	67,807
Charges for Services	-	-	-	30,365
Miscellaneous	-	-	-	4,115
Total Revenues	163,079	120,361	4,767	2,518,865
EXPENDITURES				
Current:				
Instruction	-	-	-	1,469,282
Support Services:				
Students	-	-	-	165,599
Instruction	-	-	-	807
General Administration	-	-	-	42,342
School Administration	-	-	-	194,132
Central Services	-	-	-	160,499
Operation & Maintenance of Plant	-	-	-	403,398
Student Transportation	-	-	-	104,513
Food Services Operations	-	-	-	20,226
Capital Outlay	163,079	53,900	4,767	221,746
Total Expenditures	163,079	53,900	4,767	2,782,544
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>66,461</u>	<u>-</u>	<u>(263,679)</u>
Net Changes in Fund Balances	<u>-</u>	<u>66,461</u>	<u>-</u>	<u>(263,679)</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,024</u>
Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>66,461</u>	<u>-</u>	<u>(67,655)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (263,679)**

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

Change in net pension liability and related pension accounts (801,339)

Change in Net Position-Total Governmental Activities **\$ (1,065,018)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Agency</u>
ASSETS	
Cash in Bank	\$ 1,179
Total Assets	<u>\$ 1,179</u>
 LIABILITIES	
Deposits Held for Others	\$ 1,179
Total Liabilities	<u>\$ 1,179</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ -	17,448	(16,269)	1,179
Total Assets	<u>\$ -</u>	<u>17,448</u>	<u>(16,269)</u>	<u>1,179</u>
LIABILITIES				
Deposits Held for Others	\$ -	17,448	(16,269)	1,179
Total Liabilities	<u>\$ -</u>	<u>17,448</u>	<u>(16,269)</u>	<u>1,179</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 1. 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 expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

NOTE 2. COMMITMENTS AND LIABILITIES

Explore Academy leased various facilities and equipment under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$326,415. Explore Academy’s minimum future payments on these leases are as follows:

Year Ending June 30:	
2018	\$ 360,017
2019	369,033
2020	378,303
2021	387,701
2022	<u>397,352</u>
Total minimum lease payments	<u>\$ 1,892,406</u>

NOTE 3. DEFICIT FUND BALANCE

The following funds had a deficit fund balance at June 30, 2017:

Operational	\$ 142,995
Title I	3,173
IDEA-B Entitlement	<u>2,019</u>
Total	<u>\$ 148,187</u>

NOTE 4. OVERSPENT BUDGET LINE ITEMS

Explore Academy had no funds with expenditures in excess of the budget during the year ended June 30, 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Explore Academy and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Explore Academy Charter paid employee and employer contributions of \$192,900 and \$176,079.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Explore Academy reported a liability of \$3,191,618 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Explore Academy's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Explore Academy's proportion was 0.04435%, which was an increase of 0.01344% from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

For the year ended June 30, 2017, Explore Academy recognized pension expense of \$1,014,464. As of June 30, 2017, Explore Academy reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,846	(30,256)
Changes in assumptions	64,969	-
Net difference between projected and actual earnings on pension plan investments	190,513	-
Changes in proportion and differences between Explore Academy's contributions and proportionate share of contributions	1,587,585	-
Explore Academy's contributions subsequent to the measurement date	<u>192,900</u>	<u>-</u>
Total	<u>\$ 2,049,813</u>	<u>(30,256)</u>

The amount of \$192,900 reported as deferred outflows of resources related to pensions resulting from Explore Academy's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ 772,157
2018	741,952
2019	265,990
2020	<u>46,558</u>
Total	<u>\$ 1,826,657</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Explore Academy
 Notes to the Financial Statements
 June 30, 2017

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Sensitivity of Explore Academy’s proportionate share of the net pension liability to changes in the discount rate. The following presents Explore Academy Charter’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Southwest Primary Learning Center’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Explore Academy’s proportionate share of the net pension liability	\$ 4,227,224	3,191,618	2,332,557

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. Explore Academy accrued \$58,637 in ERB benefits at June 30, 2017 for teachers with ten month contracts.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.07%	0.03%	0.00%
School's Proportionate Share of Net Pension Liability (Asset)	\$	3,191	2,002	-
School's Covered-Employee Payroll	\$	900	844	-
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		354.56%	237.23%	207.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Explore Academy Charter is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

**Last Ten Fiscal Years*
(Dollars in Thousands)**

	2015	2016	2017
Statutory required contributions	\$ -	139	192
Contributions in Relation to the Contractually Required Contribution	-	122	192
Annual contribution deficiency (excess)	\$ -	17	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Explore Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 1,962,011	2,023,123	2,023,123	-
Charges for Services	11,000	18,807	18,807	-
Miscellaneous Income	-	4,115	4,115	-
Total Revenues	<u>1,973,011</u>	<u>2,046,045</u>	<u>2,046,045</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	1,163,615	1,264,334	1,256,113	8,221
Support Services:				
Students	155,232	130,639	128,922	1,717
Instruction	5,000	822	807	15
General Administration	22,000	57,787	42,342	15,445
School Administration	236,059	189,424	184,336	5,088
Central Services	113,650	168,139	150,881	17,258
Operation & Maintenance of Plant	188,354	397,379	388,473	8,906
Student Transportation	-	7,645	7,644	1
Other Support Services Operations	89,101	-	-	-
Food Services Operations	-	9,142	8,549	593
Total Expenditures	<u>1,973,011</u>	<u>2,225,311</u>	<u>2,168,067</u>	<u>57,244</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(179,266)	(122,022)	57,244
Net Changes in Fund Balances	<u>-</u>	<u>(179,266)</u>	<u>(122,022)</u>	<u>57,244</u>
Cash or Fund Balances - Beginning of Year	-	-	(10,299)	(10,299)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(179,266)</u>	<u>(132,321)</u>	<u>46,945</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (122,022)	
Adjustments to Expenditures			(198,961)	
NET CHANGE IN FUND BALANCE			<u>\$ (320,983)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 114,670	99,314	91,663	(7,651)
Total Revenues	<u>114,670</u>	<u>99,314</u>	<u>91,663</u>	<u>(7,651)</u>
EXPENDITURES				
Current:				
Student Transportation	114,670	99,314	96,869	2,445
Total Expenditures	<u>114,670</u>	<u>99,314</u>	<u>96,869</u>	<u>2,445</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(5,206)	(5,206)
Other Financing Sources (Uses):				
Designated Cash	-	5,041	-	(5,041)
Total Other Financing Sources (Uses):	<u>-</u>	<u>5,041</u>	<u>-</u>	<u>(5,041)</u>
Net Changes in Fund Balances	<u>-</u>	<u>5,041</u>	<u>(5,206)</u>	<u>(10,247)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>7,652</u>	<u>7,652</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>5,041</u>	<u>2,446</u>	<u>(2,595)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			<u>\$ (5,206)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (5,206)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 10,995	9,887	13,140	3,253
Total Revenues	<u>10,995</u>	<u>9,887</u>	<u>13,140</u>	<u>3,253</u>
EXPENDITURES				
Current:				
Instruction	10,995	20,152	11,780	8,372
Total Expenditures	<u>10,995</u>	<u>20,152</u>	<u>11,780</u>	<u>8,372</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(10,265)</u>	<u>1,360</u>	<u>11,625</u>
Other Financing Sources (Uses):				
Designated Cash	-	9,007	-	(9,007)
Total Other Financing Sources (Uses):	<u>-</u>	<u>9,007</u>	<u>-</u>	<u>(9,007)</u>
Net Changes in Fund Balances	<u>-</u>	<u>(1,258)</u>	<u>1,360</u>	<u>2,618</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>10,265</u>	<u>10,265</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(1,258)</u>	<u>11,625</u>	<u>12,883</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			<u>\$ 1,360</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 1,360</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Charges for Services	\$ -	11,558	11,558	-
Total Revenues	<u>-</u>	<u>11,558</u>	<u>11,558</u>	<u>-</u>
EXPENDITURES				
Current:				
Food Services Operations	-	11,677	11,677	-
Total Expenditures	<u>-</u>	<u>11,677</u>	<u>11,677</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(119)</u>	<u>(119)</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>(119)</u>	<u>(119)</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	-	-	119	119
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(119)</u>	<u>-</u>	<u>119</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (119)	
NET CHANGE IN FUND BALANCE			<u>\$ (119)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 38,095	47,414	48,399	985
Total Revenues	<u>38,095</u>	<u>47,414</u>	<u>48,399</u>	<u>985</u>
EXPENDITURES				
Current:				
Instruction	38,095	26,624	21,615	5,009
Support Services:				
Students	-	20,790	20,744	46
Total Expenditures	<u>38,095</u>	<u>47,414</u>	<u>42,359</u>	<u>5,055</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	6,040	6,040
Net Changes in Fund Balances	-	-	6,040	6,040
Cash or Fund Balances - Beginning of Year	-	-	(17,841)	(17,841)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,801)</u>	<u>(11,801)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 6,040	
Adjustments to Revenues			(5,417)	
Adjustments to Expenditures			(3,796)	
NET CHANGE IN FUND BALANCE			<u>\$ (3,173)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA B Entitlement 24106
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 25,602	42,664	24,134	(18,530)
Total Revenues	<u>25,602</u>	<u>42,664</u>	<u>24,134</u>	<u>(18,530)</u>
EXPENDITURES				
Current:				
Instruction	25,602	42,664	23,576	19,088
Total Expenditures	<u>25,602</u>	<u>42,664</u>	<u>23,576</u>	<u>19,088</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	558	558
Net Changes in Fund Balances	-	-	558	558
Cash or Fund Balances - Beginning of Year	-	-	(11,804)	(11,804)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,246)</u>	<u>(11,246)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 558	
Adjustments to Revenues			691	
Adjustments to Expenditures			(3,268)	
NET CHANGE IN FUND BALANCE			<u>\$ (2,019)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	539	445	(94)
Total Revenues	<u>-</u>	<u>539</u>	<u>445</u>	<u>(94)</u>
EXPENDITURES				
Current:				
Instruction	-	539	445	94
Total Expenditures	<u>-</u>	<u>539</u>	<u>445</u>	<u>94</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Budgetary Comparisons - Budgetary Basis
2012 GO Student Library 27107
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	-	3,402	3,402
Total Revenues	<u>-</u>	<u>-</u>	<u>3,402</u>	<u>3,402</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>3,402</u>	<u>3,402</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,402</u>	<u>3,402</u>
<i>Cash or Fund Balances - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>(3,402)</u>	<u>(3,402)</u>
<i>Cash or Fund Balances - End of Year</i>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 3,402	
Adjustments to Revenues			(3,402)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	163,079	187,743	24,664
Total Revenues	<u>-</u>	<u>163,079</u>	<u>187,743</u>	<u>24,664</u>
EXPENDITURES				
Capital outlay	-	163,079	163,079	-
Total Expenditures	<u>-</u>	<u>163,079</u>	<u>163,079</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>24,664</u>	<u>24,664</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>24,664</u>	<u>24,664</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(24,664)</u>	<u>(24,664)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 24,664	
Adjustments to Revenues			(24,664)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Property Taxes	\$ -	121,891	117,963	(3,928)
Total Revenues	<u>-</u>	<u>121,891</u>	<u>117,963</u>	<u>(3,928)</u>
EXPENDITURES				
Capital outlay	-	121,891	53,900	67,991
Total Expenditures	<u>-</u>	<u>121,891</u>	<u>53,900</u>	<u>67,991</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>64,063</u>	<u>64,063</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>64,063</u>	<u>64,063</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>64,063</u>	<u>64,063</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 64,063	
Adjustments to Revenues			2,398	
NET CHANGE IN FUND BALANCE			<u>\$ 66,461</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 31700
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 4,767	9,862	4,767	(5,095)
Total Revenues	<u>4,767</u>	<u>9,862</u>	<u>4,767</u>	<u>(5,095)</u>
EXPENDITURES				
Capital outlay	4,767	9,862	4,767	5,095
Total Expenditures	<u>4,767</u>	<u>9,862</u>	<u>4,767</u>	<u>5,095</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or Fund Balances - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or Fund Balances - End of Year</i>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -
Total Cash per Schedule of Cash Accounts:				\$ 197,206
Less: FDIC coverage:				(197,206)
Uninsured Public Funds:				-
Collateral Requirement:				-
Pledged Collateral Held by Pledging Financial Institution:				-
Balance Over (Under) Collateralized:				\$ -
Balance Uninsured and Uncollateralized at June 30, 2017:				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	Wells Fargo
Checking - Operational Account	\$ 197,206
Reconciling Items	(20,918)
Reconciled Balance June 30, 2017	176,288
Less Agency Funds	(1,179)
Total Cash	\$ 175,109

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Explore Academy
Cash Reconciliation
June 30, 2017**

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ 232,505	7,652	10,265	119
Add:				
2016-17 revenues	<u>2,046,045</u>	<u>91,663</u>	<u>13,140</u>	<u>11,558</u>
Total cash available	2,278,550	99,315	23,405	11,677
Less:				
2016-17 expenditures	(2,357,632)	(96,869)	(11,780)	(11,677)
Receivables/Payables	241,000	-	-	-
Loans	<u>(11,704)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>150,214</u>	<u>2,446</u>	<u>11,625</u>	<u>-</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(53,239)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>96,975</u>	<u>2,446</u>	<u>11,625</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(293,209)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Modified Accrual Basis	<u><u>\$ (142,995)</u></u>	<u><u>2,446</u></u>	<u><u>11,625</u></u>	<u><u>-</u></u>

The accompanying notes are an integral part of these financial statements

Student Activity Funds 23000	Federal Flowthrough 24000	State Flowthrough 27000	Public Schools Capital Outlay 31200	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Total
-	(23,734)	(3,402)	(24,664)	-	-	198,741
17,448	72,533	3,402	187,743	117,963	4,767	2,566,262
17,448	48,799	-	163,079	117,963	4,767	2,765,003
(16,269)	(72,999)	-	(163,079)	(53,900)	(4,767)	(2,788,972)
-	11,343	-	-	-	-	252,343
-	11,704	-	-	-	-	-
1,179	(1,153)	-	-	64,063	-	228,374
-	1,153	-	-	-	-	(52,086)
1,179	-	-	-	64,063	-	176,288
					Less Agency Fund	(1,179)
					Total Governmental Funds	\$ 175,109
-	(4,039)	-	-	2,398	-	(294,850)
1,179	(5,192)	-	-	66,461	-	(66,476)
					Less Agency Fund	(1,179)
					Total Governmental Funds	\$ (67,655)

GILBERT L. SENA CHARTER HIGH SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 698,641
Receivables	
Due from Other Governments	21,204
Total Current Assets	<u>719,845</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	162,545
Less: Accumulated Depreciation	<u>(130,597)</u>
Total Noncurrent Assets	<u>31,948</u>

Total Assets	<u>751,793</u>
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Deferred Outflows - Pension Related	<u>416,003</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	28,599
Accrued Liabilities	<u>144,493</u>
Total Current Liabilities	<u>173,092</u>

Noncurrent Liabilities:

Net Pension Liability	<u>2,538,182</u>
Total Noncurrent Liabilities	<u>2,538,182</u>

Total Liabilities	<u>2,711,274</u>
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Deferred Inflows - Pension Related	<u>231,167</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	31,948
Restricted	302,378
Unrestricted (Deficit)	<u>(2,108,971)</u>
Total Net Position (Deficit)	<u>\$ (1,774,645)</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Program Revenues	Net (Expenses) Revenues and Changes in Net Position
		Charges For Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 988,732	1,397	133,781	-	(853,554)
Support Services:					
Students	361,354	-	-	-	(361,354)
Instruction	17,624	-	-	-	(17,624)
General Administration	70,291	-	-	-	(70,291)
School Administration	283,156	-	-	-	(283,156)
Central Services	118,808	-	-	-	(118,808)
Operation & Maintenance of Plant	220,667	-	-	-	(220,667)
Food Services	24,824	-	-	-	(24,824)
Facilities Materials, Supplies & Other Services	162,739	-	-	127,739	(35,000)
Total Governmental Activities	\$ 2,248,195	1,397	133,781	127,739	(1,985,278)
General Revenues:					
Property Taxes					\$ 161,987
State Equalization Guarantee					1,754,550
Total General Revenues					1,916,537
Change in Net Position					(68,741)
Net Position, Beginning of Year					(1,705,904)
Net Position, Ending					<u>\$ (1,774,645)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
ASSETS			
Cash and Cash Equivalents	\$ 396,214	3,628	-
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	23,027	-	-
Total Assets	419,241	3,628	-
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	28,599	-	-
Accrued Expenditures	138,119	-	-
Due to Other Funds	-	-	4,930
Total Liabilities	166,718	-	4,930
<i>Fund Balances (Deficit)</i>			
Fund Balance:			
Restricted for:			
Instruction	-	3,628	-
Capital Improvements	-	-	-
Assigned to:			
Subsequent Years Expenditures and Other Programs	252,523	-	-
Unassigned (Deficit)	-	-	(4,930)
Total Fund Balance (Deficit)	252,523	3,628	(4,930)
<i>Total Liabilities and Fund Balances (Deficit)</i>	\$ 419,241	3,628	-

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

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title I Improvement 24162	CNM Foundation 26207
-	-	-	-	159
10,030	-	5,925	5,249	-
-	-	-	-	-
<u>10,030</u>	<u>-</u>	<u>5,925</u>	<u>5,249</u>	<u>159</u>
-	-	-	-	-
4,249	-	-	1,966	159
<u>5,671</u>	<u>3,218</u>	<u>5,925</u>	<u>3,283</u>	<u>-</u>
<u>9,920</u>	<u>3,218</u>	<u>5,925</u>	<u>5,249</u>	<u>159</u>
110	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>(3,218)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>110</u>	<u>(3,218)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,030</u>	<u>-</u>	<u>5,925</u>	<u>5,249</u>	<u>159</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Balance Sheets - Governmental Funds - (Continued)
June 30, 2017

	Dual Credit Instructional Materials/HB2 27103	2012 Student Library SB-66 27107	Public School Capital Outlay 31200
ASSETS			
Cash and Cash Equivalents	\$ -	-	6,812
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	-	-	-
Total Assets	-	-	6,812
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	-	-	-
Accrued Expenditures	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	-	-	-
Fund Balances (Deficit)			
Fund Balance:			
Restricted for:			
Instruction	-	-	-
Capital Improvements	-	-	6,812
Assigned to:			
Subsequent Years Expenditures and Other Programs	-	-	-
Unassigned (Deficit)	-	-	-
Total Fund Balance (Deficit)	-	-	6,812
<i>Total Liabilities and Fund Balances (Deficit)</i>	\$ -	-	6,812

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

HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
78,287	213,541	698,641
-	-	21,204
-	-	23,027
<u>78,287</u>	<u>213,541</u>	<u>742,872</u>
-	-	28,599
-	-	144,493
-	-	23,027
<u>-</u>	<u>-</u>	<u>196,119</u>
-	-	3,738
78,287	213,541	298,640
-	-	252,523
-	-	(8,148)
<u>78,287</u>	<u>213,541</u>	<u>546,753</u>
<u>78,287</u>	<u>213,541</u>	<u>742,872</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Reconciliation of the Balance Sheets of Governmental
Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 546,753**

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

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

Capital Assets	162,545	
Accumulated Depreciation	(130,597)	
	31,948	31,948

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		416,003
---	--	---------

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		
Net Pension Liability		(2,538,182)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		
		(231,167)

Net Position (Deficit)-Total Governmental Activities **\$ (1,774,645)**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	16,265	-	-
State Grant	1,754,550	10,722	-
Federal Grant	-	-	19,586
Charges for Services	-	-	1,397
Total Revenues	1,770,815	10,722	20,983
EXPENDITURES			
Current:			
Instruction	897,838	20,934	-
Support Services:			
Students	280,780	-	-
Instruction	17,524	-	-
General Administration	70,291	-	-
School Administration	274,425	-	-
Central Services	118,808	-	-
Operation & Maintenance of Plant	220,667	-	-
Food Services Operations	844	-	23,980
Capital Outlay	35,000	-	-
Total Expenditures	1,916,177	20,934	23,980
Net Changes in Fund Balances	(145,362)	(10,212)	(2,997)
Fund Balances(Deficit) - Beginning of Year	397,885	13,840	(1,933)
Fund Balances (Deficit) - End of Year	\$ 252,523	3,628	(4,930)

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title I Improvement 24162	CNM Foundation 26207
-	-	-	-	-
-	-	-	-	3,000
-	-	-	-	-
51,982	-	6,521	23,999	-
-	-	-	-	-
<u>51,982</u>	<u>-</u>	<u>6,521</u>	<u>23,999</u>	<u>3,000</u>
-	-	6,521	1,999	3,000
51,872	-	-	22,000	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>51,872</u>	<u>-</u>	<u>6,521</u>	<u>23,999</u>	<u>3,000</u>
110	-	-	-	-
-	(3,218)	-	-	-
<u>110</u>	<u>(3,218)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Dual Credit Instructional Materials/HB2 27103	2012 Student Library SB-66 27107	Public School Capital Outlay 31200
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	-	-	-
State Grant	1,706	-	127,739
Federal Grant	-	-	-
Charges for Services	-	-	-
Total Revenues	1,706	-	127,739
EXPENDITURES			
Current:			
Instruction	1,706	-	-
Support Services:			
Students	-	-	-
Instruction	-	100	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Food Services Operations	-	-	-
Capital Outlay	-	-	127,739
Total Expenditures	1,706	100	127,739
Net Changes in Fund Balances	-	(100)	-
Fund Balances(Deficit) - Beginning of Year	-	100	6,812
Fund Balances (Deficit) - End of Year	\$ -	-	6,812

HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
78,287	83,700	161,987
-	-	19,265
-	-	1,894,717
-	-	102,088
-	-	1,397
<u>78,287</u>	<u>83,700</u>	<u>2,179,454</u>
-	-	931,998
-	-	354,652
-	-	17,624
-	-	70,291
-	-	274,425
-	-	118,808
-	-	220,667
-	-	24,824
-	-	162,739
<u>-</u>	<u>-</u>	<u>2,176,028</u>
<u>78,287</u>	<u>83,700</u>	<u>3,526</u>
<u>-</u>	<u>129,841</u>	<u>543,327</u>
<u><u>78,287</u></u>	<u><u>213,541</u></u>	<u><u>546,753</u></u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds	\$ 3,526
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
Change in net pension liability and related accounts	(56,295)
<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 capital outlay exceeds depreciation for the period</p>	
Depreciation Expense	<u>(15,972)</u>
Change in Net Position-Total Governmental Activities	<u>\$ (68,741)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 16,877
Total Assets	<u>16,877</u>
LIABILITIES	
Deposits Held for Others	16,877
Total Liabilities	<u>\$ 16,877</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 16,827	50	-	16,877
Total Assets	<u>16,827</u>	<u>50</u>	<u>-</u>	<u>16,877</u>
LIABILITIES				
Deposits Held for Others	16,827	50	-	16,877
Total Liabilities	<u>\$ 16,827</u>	<u>50</u>	<u>-</u>	<u>16,877</u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Gilbert L. Sena Charter High School’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Gilbert L. Sena Charter High School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Gilbert L. Sena Charter High School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
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Capital assets for the Gilbert L. Sena Charter High School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 162,545	-	-	162,545
<i>Total</i>	<u>162,545</u>	-	-	<u>162,545</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(114,625)	(15,972)	-	(130,597)
<i>Total</i>	<u>(114,625)</u>	<u>(15,972)</u>	-	<u>(130,597)</u>
Capital Assets, Net	<u>\$ 47,920</u>	<u>(15,972)</u>	-	<u>31,948</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$ 15,972
Total	<u>\$ 15,972</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

The Gilbert L. Sena Charter High School leased equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$211,679. The Gilbert L. Sena Charter High School’s minimum future payments on this lease are as follows:

Year Ending June 30:		
2018	\$	211,679
2019		215,913
Total	\$	<u>427,592</u>

NOTE 4. DEFICIT FUND BALANCE

The following fund had a deficit fund balance at June 30, 2017:

Food Services - 21000	\$	4,930
IDEA-B Entitlement - 24106		3,218

The Gilbert L. Sena Charter High School is addressing the negative fund balance and is planning on taking the appropriate actions to eliminate the negative balance.

NOTE 5. RELATED PARTY TRANSACTIONS

The business manager services are performed by the Vigil Group, LLC, which performed services for multiple state charter schools.

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to the Gilbert L. Sena Charter High School and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Gilbert L. Sena Charter High School paid employee and employer contributions of \$143,144 and \$140,022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Gilbert L. Sena Charter High School reported a liability of \$2,538,182 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Gilbert L. Sena Charter High School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Gilbert L. Sena Charter High School's proportion was 0.03527%, which was a decrease of 0.00044 from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

For the year ended June 30, 2017, Gilbert L. Sena Charter High School recognized pension expense of \$200,191. At June 30, 2017, Gilbert L. Sena Charter High School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,012	(24,141)
Changes in assumptions	51,667	-
Net difference between projected and actual earnings on pension plan investments	151,508	-
Changes in proportion and differences between Gilbert L. Sena Charter High School contributions and proportionate share of contributions	58,673	(207,026)
Gilbert L. Sena Charter High School contributions subsequent to the measurement date	<u>143,143</u>	<u>-</u>
Total	<u>\$ 416,003</u>	<u>(231,167)</u>

\$143,143 reported as deferred outflows of resources related to pensions resulting from Gilbert L. Sena Charter High School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 4,212
2019	(13,656)
2020	14,189
2021	<u>36,948</u>
Total	<u>\$ 41,693</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Gilbert L. Sena Charter High School
 Notes to the Financial Statements
 June 30, 2017

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of Gilbert L. Sena Charter High School's proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the (employer's) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Gilbert L. Sena Charter High School's proportionate share of the net pension liability	<u>\$ 3,361,763</u>	<u>2,538,182</u>	<u>1,854,842</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, Gilbert L. Sena Charter High School's accrued liability due to ERB was \$ 51,320 for payroll paid in July 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
GILBERT L SENA CHARTER HIGH SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

Fiscal Year Measurement Date	30-Jun		
	2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)	0.04%	0.04%	0.04%
School's Proportionate Share of Net Pension Liability (Asset)	\$ 2,538	2,570	2,200
School's Covered-Employee Payroll	\$ 967	1,083	1,062
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	262.46%	237.23%	207.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Gilbert L Sena Charter High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
GILBERT L SENA CHARTER HIGH SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	\$ 179	140	143
Contributions in Relation to the Contractually Required Contribution	<u>179</u>	<u>140</u>	<u>143</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Gilbert L Sena Charter High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	16,265	16,265
State Grant	1,783,805	1,754,550	1,754,550	-
Total Revenues	1,783,805	1,754,550	1,770,815	16,265
EXPENDITURES				
Current:				
Instruction	923,240	1,046,823	900,123	146,700
Support Services:				
Students	256,208	292,103	280,780	11,323
Instruction	20,425	30,425	16,573	13,852
General Administration	57,650	73,811	45,110	28,701
School Administration	283,174	324,636	274,746	49,890
Central Services	128,960	118,964	118,808	156
Operation & Maintenance of Plant	234,148	251,301	221,050	30,251
Food Services Operations	-	1,073	844	229
Capital outlay	-	35,000	35,000	-
Total Expenditures	1,903,805	2,174,136	1,893,034	281,102
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(120,000)	(419,586)	(122,219)	297,367
Other Financing Sources (Uses):				
Designated Cash	120,000	419,586	-	(419,586)
Total Other Financing Sources (Uses):	120,000	419,586	-	(419,586)
Net Changes in Fund Balances	-	-	(122,219)	(122,219)
Cash or Fund Balances - Beginning of Year	-	-	397,885	397,885
Cash or Fund Balances - End of Year	\$ -	-	275,666	275,666
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (122,219)	
Adjustments to Expenditures			(23,143)	
NET CHANGE IN FUND BALANCE			\$ (145,362)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 9,884	8,068	11,696	3,628
Total Revenues	9,884	8,068	11,696	3,628
EXPENDITURES				
Current:				
Instruction	9,884	20,934	20,934	-
Total Expenditures	9,884	20,934	20,934	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(12,866)	(9,238)	3,628
Other Financing Sources (Uses):				
Designated Cash	-	12,866	-	(12,866)
Total Other Financing Sources (Uses):	-	12,866	-	(12,866)
Net Changes in Fund Balances	-	-	(9,238)	(9,238)
Cash or Fund Balances - Beginning of Year	-	-	17,461	17,461
Cash or Fund Balances - End of Year	\$ -	-	8,223	8,223
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (9,238)	
<i>Adjustments to Revenues</i>			(974)	
NET CHANGE IN FUND BALANCE			\$ (10,212)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 23,000	23,000	19,586	(3,414)
Charges for Services	-	1,317	1,397	80
Total Revenues	23,000	24,317	20,983	(3,334)
EXPENDITURES				
Current:				
Food Services Operations	23,000	24,317	23,980	337
Total Expenditures	23,000	24,317	23,980	337
Net Changes in Fund Balances	-	-	(2,997)	(2,997)
Cash or Fund Balances - Beginning of Year	-	-	279	279
Cash or Fund Balances - End of Year	\$ -	-	(2,718)	(2,718)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (2,997)	
NET CHANGE IN FUND BALANCE			\$ (2,997)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 55,841	55,759	49,679	(6,080)
Total Revenues	55,841	55,759	49,679	(6,080)
EXPENDITURES				
Current:				
Support Services:				
Students	55,841	55,759	51,872	3,887
Total Expenditures	55,841	55,759	51,872	3,887
Net Changes in Fund Balances	-	-	(2,193)	(2,193)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(2,193)	(2,193)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ (2,193)	
Adjustments to Revenues			2,303	
NET CHANGE IN FUND BALANCE			\$ 110	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	44,635	-	(44,635)
Total Revenues	-	44,635	-	(44,635)
EXPENDITURES				
Current:				
Support Services:				
Students	-	44,635	-	44,635
Total Expenditures	-	44,635	-	44,635
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ -	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 7,342	16,884	596	(16,288)
Total Revenues	7,342	16,884	596	(16,288)
EXPENDITURES				
Current:				
Instruction	7,342	16,884	6,521	10,363
Total expenditures	7,342	16,884	6,521	10,363
Net changes in Fund Balances	-	-	(5,925)	(5,925)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(5,925)	(5,925)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (5,925)	
<i>Adjustments to Revenues</i>			5,925	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I Improvement 24162
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 23,999	23,999	18,750	(5,249)
Total Revenues	23,999	23,999	18,750	(5,249)
EXPENDITURES				
Current:				
Instruction	1,999	1,999	1,999	-
Support Services:				
Students	22,000	22,000	22,000	-
Total expenditures	23,999	23,999	23,999	-
Net changes in Fund Balances	-	-	(5,249)	(5,249)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(5,249)	(5,249)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
			\$ (5,249)	
<i>Over (Under) Expenditures</i>			5,249	
<i>Adjustments to Revenues</i>				
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
CNM Foundation 26207
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	3,000	3,000	-
Total Revenues	-	3,000	3,000	-
EXPENDITURES				
Current:				
Instruction	-	3,000	3,000	-
Total Expenditures	-	3,000	3,000	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials/HB2 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	1,706	1,706	-
Total Revenues	-	1,706	1,706	-
EXPENDITURES				
Current:				
Instruction	-	1,706	1,706	-
Total Expenditures	-	1,706	1,706	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
2012 Student Library SB-66 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 3,499	3,499	3,212	(287)
Total Revenues	3,499	3,499	3,212	(287)
EXPENDITURES				
Current:				
Support Services:				
Instruction	3,499	3,499	-	3,499
Total Expenditures	3,499	3,499	-	3,499
Net Changes in Fund Balances	-	-	3,212	3,212
Cash or Fund Balances - Beginning of Year	-	-	100	100
Cash or Fund Balances - End of Year	\$ -	-	3,312	3,312
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 3,212	
<i>Adjustments to Revenues</i>			(3,212)	
<i>Adjustments to Expenditures</i>			(100)	
NET CHANGE IN FUND BALANCE			\$ (100)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	127,739	159,490	31,751
Total Revenues	-	127,739	159,490	31,751
EXPENDITURES				
Capital Outlay	-	127,739	127,739	-
Total Expenditures	-	127,739	127,739	-
Net Changes in Fund Balances	-	-	31,751	31,751
Cash or Fund Balances - Beginning of Year	-	-	6,812	6,812
Cash or Fund Balances - End of Year	\$ -	-	38,563	38,563
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 31,751	
Adjustments to Revenues			(31,751)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES	\$ -	-	-	-
EXPENDITURES				
Capital Outlay	-	109,702	-	109,702
<i>Total Expenditures</i>	-	109,702	-	109,702
<i>Net Changes in Fund Balances</i>	-	(109,702)	-	109,702
<i>Cash or Fund Balances - Beginning of Year</i>	-	-	-	-
<i>Cash or Fund Balances - End of Year</i>	\$ -	(109,702)	-	109,702
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			78,287	
NET CHANGE IN FUND BALANCE			\$ 78,287	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 54,975	54,975	83,700	28,725
State Grant	28,203	32,361	-	(32,361)
Total Revenues	83,178	87,336	83,700	(3,636)
EXPENDITURES				
Capital Outlay	103,175	107,333	-	107,333
Total Expenditures	103,175	107,333	-	107,333
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(19,997)	(19,997)	83,700	103,697
Other Financing Sources (Uses):				
Designated Cash	19,997	19,997	-	(19,997)
Total Other Financing Sources (Uses):	19,997	19,997	-	(19,997)
Net Changes in Fund Balances	-	-	83,700	83,700
Cash or Fund Balances - Beginning of Year	-	-	129,841	129,841
Cash or Fund Balances - End of Year	\$ -	-	213,541	213,541
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 83,700	
NET CHANGE IN FUND BALANCE			\$ 83,700	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Wells Fargo	FNMA FNMS	3138NY4S1	2/1/2043	\$ 98,400
Wells Fargo	FNMA FNMS	3138W4Z61	3/1/2043	177,597
				<u>\$ 275,997</u>
Total Cash per Schedule of Cash Accounts:				\$ 724,497
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				474,497
Collateral Requirement:				237,249
Pledged Collateral Held by Pledging Financial Institution:				<u>275,997</u>
Balance Over Collateralized:				<u>\$ 38,748</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ -</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	Wells Fargo
Checking - Operational Account	\$ 724,497
Total on Deposit	724,497
Reconciling Items	(8,979)
Reconciled Balance June 30, 2016	<u>715,518</u>
Less Agency Funds	<u>(16,877)</u>
Total Cash	<u><u>\$ 698,641</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ 427,068	12,866	-
Add:			
2016-17 revenues	1,770,816	11,696	20,983
Total Cash Available	2,197,884	24,562	20,983
Less:			
2016-17 expenditures	(1,893,034)	(20,934)	(23,980)
Receivables/Payables	138,119	-	-
Outstanding Loans	(23,027)	-	4,930
Cash June 30, 2017	419,942	3,628	1,933
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	(23,728)	-	(1,933)
Cash Per Books	396,214	3,628	-
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	(143,691)	-	(4,930)
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 252,523</u>	<u>3,628</u>	<u>(4,930)</u>

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

Non-Instruct. Fund 23000	Federal Projects Account 24000	Local Grant Fund 26000	State Account 27000	Public School Capital Outlay 31200
16,827	-	4	-	-
-	69,025	3,000	4,919	159,490
16,827	69,025	3,004	4,919	159,490
-	(82,392)	(3,000)	(1,706)	(127,739)
-	6,215	159	-	-
-	18,097	-	-	-
16,827	10,945	163	3,213	31,751
50	(10,945)	(4)	(3,213)	(24,939)
16,877	-	159	-	6,812
(16,877)	(3,108)	(159)	-	-
-	(3,108)	-	-	6,812

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Cash Reconciliation
June 30, 2017**

	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
Cash, June 30, 2016	\$ -	129,841	586,606
Add:			
2016-17 revenues	78,287	83,700	2,201,916
Total Cash Available	78,287	213,541	2,788,522
Less:			
2016-17 expenditures	-	-	(2,152,785)
Receivables/Payables	-	-	144,493
Outstanding Loans	-	-	-
Cash June 30, 2017	78,287	213,541	780,230
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	-	-	(64,712)
Cash Per Books	78,287	213,541	715,518
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:			(16,877)
			<u>698,641</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	-	-	(168,765)
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 78,287</u>	<u>213,541</u>	<u>546,753</u>
		Balance Sheets - Governmental Funds:	<u>546,753</u>

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

GREAT ACADEMY

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 748,619
Receivables	
Due from Other Governments	31,529
Prepaid Expenses	10,393
Total Current Assets	<u>790,541</u>

Noncurrent Assets:

Capital Assets	
Land Improvements	43,726
Building and Improvements	1,471,252
Vehicles	126,612
Furniture, Fixtures, and Equipment	158,491
Less: Accumulated Depreciation	(229,438)
Total Noncurrent Assets	<u>1,570,643</u>
Total Assets	<u>2,361,184</u>

Deferred Outflows - Pension Related	<u>807,995</u>
--	----------------

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	2,955
Accrued Liabilities	18,544
Current Portion of Long-Term Debt	32,632
Total Current Liabilities	<u>54,131</u>

Noncurrent Liabilities:

Long-Term Debt	1,067,368
Net Pension Liability	2,492,845
Total Noncurrent Liabilities	<u>3,560,213</u>
Total Liabilities	<u>3,614,344</u>

Deferred Inflows - Pension Related	<u>23,710</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	470,643
Restricted	729,729
Unrestricted (Deficit)	(1,669,247)
Total Net Position (Deficit)	<u>\$ (468,875)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,097,426	7,531	73,883	-	(1,016,012)
Support Services:					
Students	240,397	-	-	-	(240,397)
Instruction	8,367	-	-	-	(8,367)
General Administration	266,167	-	-	-	(266,167)
School Administration	282,912	-	-	-	(282,912)
Central Services	188,693	-	-	-	(188,693)
Operation & Maintenance of Plant	164,249	-	-	-	(164,249)
Other Support Services	169,368	-	-	-	(169,368)
Student Transportation	13,095	-	-	-	(13,095)
Interest on long-term debt	64,270	-	-	-	(64,270)
Food Services	6,875	-	-	-	(6,875)
Facilities Materials, Supplies & Other Services	45,000	-	-	169,635	124,635
Total Governmental Activities	\$ 2,546,819	7,531	73,883	169,635	(2,295,770)
General Revenues:					
Property Taxes					\$ 142,500
State Equalization Guarantee					1,828,291
Miscellaneous					4,151
Total General Revenues					<u>1,974,942</u>
Change in Net Position					(320,828)
Net Position (Deficit), Beginning					<u>(148,047)</u>
Net Position (Deficit), Ending					<u>\$ (468,875)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS				
Cash and Cash Equivalents	\$ 274,159	17,594	-	-
Accounts Receivable				
Due from Government	-	-	16,230	14,768
Due from Other Funds	31,529	-	-	-
Prepaid Expenditures	701,742	-	-	-
Total Assets	\$ 1,007,430	17,594	16,230	14,768
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 2,955	-	-	-
Accrued Expenditures	18,544	-	-	-
Due to Other Funds	-	-	16,230	14,768
Prepaid Rent	-	-	-	-
Total Liabilities	21,499	-	16,230	14,768
<i>Fund Balances (Deficit)</i>				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	701,742	-	-	-
Restricted for:				
Instruction	-	17,594	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	284,189	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balance (Deficit)	985,931	17,594	-	-
Total Liabilities and Fund Balances	\$ 1,007,430	17,594	16,230	14,768

Federal Charter School Planning 24146	Teacher Principal Training 24154	Dual Credit Instructional Materials 27103	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700
-	-	-	-	12,456	-
-	-	531	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	531	-	12,456	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	531	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	12,456	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	12,456	-
-	-	531	-	12,456	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	<u>Foundation</u>	<u>Total</u>
ASSETS		
Cash and Cash Equivalents	\$ 444,410	748,619
Accounts Receivable		
Due from Government	-	31,529
Due from Other Funds	-	31,529
Prepaid Expenditures	<u>10,393</u>	<u>712,135</u>
Total Assets	<u>\$ 454,803</u>	<u>1,523,812</u>
Liabilities:		
Accounts Payable	\$ -	2,955
Accrued Expenditures	-	18,544
Due to Other Funds	-	31,529
Prepaid Rent	<u>701,742</u>	<u>701,742</u>
Total Liabilities	<u>701,742</u>	<u>754,770</u>
Fund Balances (Deficit)		
Fund Balance:		
Nonspendable:		
Prepaid Expenditures	10,393	712,135
Restricted for:		
Instruction	-	17,594
Capital Improvements		12,456
Assigned to:		
Subsequent Years Expenditures and Other Programs	-	284,189
Unassigned (Deficit)	<u>(257,332)</u>	<u>(257,332)</u>
Total Fund Balance (Deficit)	<u>(246,939)</u>	<u>769,042</u>
Total Liabilities and Fund Balances	<u>\$ 454,803</u>	<u>1,523,812</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 769,042**

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

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

Capital Assets	1,800,081	
Accumulated Depreciation	(229,438)	1,570,643

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.

807,995

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Long-Term Debt		(1,100,000)
----------------	--	-------------

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.

(2,492,845)

Net Pension Liability

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.

(23,710)

Net Position (Deficit) - Total Governmental Activities **\$ (468,875)**

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	7,313	-	-	-
State Grant	1,828,291	10,599	-	-
Federal Grant	-	-	16,230	32,923
Charges for Services	7,531	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	1,843,135	10,599	16,230	32,923
EXPENDITURES				
Current:				
Instruction	818,888	-	16,230	32,923
Support Services:				
Students	207,779	-	-	-
Instruction	6,828	-	-	-
General Administration	223,453	-	-	-
School Administration	234,843	-	-	-
Central Services	168,290	-	-	-
Operation & Maintenance of Plant	224,228	-	-	-
Student Transportation	434	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	6,875	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	1,891,618	-	16,230	32,923
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(48,483)</u>	<u>10,599</u>	<u>-</u>	<u>-</u>
<i>Other Financing Sources :</i>				
Proceeds from issuance of long-term debt	-	-	-	-
<i>Total other financing sources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	(48,483)	10,599	-	-
Fund Balances (Deficit) - Beginning of Year	1,034,414	6,995	-	-
Fund Balances (Deficit) - End of Year	\$ 985,931	17,594	-	-

Federal Charter School Planning 24146	Teacher Principal Training 24154	Dual Credit Instructional Materials 27103	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700
-	-	-	-	142,500	-
-	-	-	-	-	-
-	-	4,091	158,767	-	10,868
-	2,727	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>2,727</u>	<u>4,091</u>	<u>158,767</u>	<u>142,500</u>	<u>10,868</u>
-	3,277	3,541	-	74,056	10,868
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	55,988	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
45,000	-	-	158,767	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>45,000</u>	<u>3,277</u>	<u>3,541</u>	<u>158,767</u>	<u>130,044</u>	<u>10,868</u>
<u>(45,000)</u>	<u>(550)</u>	<u>550</u>	<u>-</u>	<u>12,456</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>(45,000)</u>	<u>(550)</u>	<u>550</u>	<u>-</u>	<u>12,456</u>	<u>-</u>
<u>45,000</u>	<u>550</u>	<u>(550)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,456</u>	<u>-</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances (Continued)
Governmental Funds
For The Year Ended June 30, 2017**

	<u>Foundation</u>	<u>Total</u>
REVENUES		
Property Taxes	\$ -	142,500
Local & County Grant	-	7,313
State Grant	-	2,012,616
Federal Grant	-	51,880
Charges for Services	-	7,531
Miscellaneous Income	256,151	256,151
Total Revenues	<u>256,151</u>	<u>2,477,991</u>
EXPENDITURES		
Current:		
Instruction	-	959,783
Support Services:		
Students	-	207,779
Instruction	-	6,828
General Administration	-	223,453
School Administration	-	234,843
Central Services	-	168,290
Operation & Maintenance of Plant	-	280,216
Student Transportation	-	434
Other Support Services Operations	169,368	169,368
Food Services Operations	-	6,875
Capital Outlay	-	203,767
Debt service		
Principal	28,077	28,077
Interest	68,353	68,353
Total Expenditures	<u>265,798</u>	<u>2,558,066</u>
<i>Excess (Deficiency) of Revenues</i>		
<i>Over (Under) Expenditures</i>	<u>(9,647)</u>	<u>(80,075)</u>
<i>Other Financing Sources :</i>		
Proceeds from issuance of long-term debt	42,592	42,592
<i>Total other financing sources</i>	<u>42,592</u>	<u>42,592</u>
Net Changes in Fund Balances	<u>32,945</u>	<u>(37,483)</u>
Fund Balances (Deficit) - Beginning of Year	<u>(279,884)</u>	<u>806,525</u>
Fund Balances (Deficit) - End of Year	<u>\$ (246,939)</u>	<u>769,042</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (37,483)**

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

Change in net pension liability and related accounts (284,581)

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 capital outlay exceeds depreciation for the period

Capital Outlays	84,086	
Depreciation Expense	(72,417)	
	11,669	11,669

The insurance of long-term debt (e.g., bonds, notes, leases) provide 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.

Proceeds from issuance of long-term debt	(42,592)	
Changes in accrued interest	4,082	
Principal payments of long-term debt	28,077	
	(10,433)	(10,433)

Change in Net Position-Total Governmental Activities **\$ (320,828)**

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Great Academy's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Great Academy does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Great Academy utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures, Equipment and Vehicles	5 years
Buildings and Improvements	40 years
Land Improvements	15 years

Capital assets for The Great Academy are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to deductions from ERB's Fiduciary Net Position have been determined 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	\$ -	43,726	-	43,726
Building and Improvements	1,447,714	23,538	-	1,471,252
Vehicles	126,612	-	-	126,612
Furniture, Fixtures and Equipment	141,669	16,822	-	158,491
<i>Total</i>	<u>1,715,995</u>	<u>84,086</u>	<u>-</u>	<u>1,800,081</u>
<i>Less: Accumulated Depreciation</i>				
Land Improvements	-	(729)	-	(729)
Building and Improvements	(30,537)	(31,423)	-	(61,960)
Vehicles	(36,926)	(12,661)	-	(49,587)
Furniture, Fixtures and Equipment	(89,558)	(27,604)	-	(117,162)
<i>Total</i>	<u>(157,021)</u>	<u>(72,417)</u>	<u>-</u>	<u>(229,438)</u>
Capital Assets, Net	<u>\$ 1,558,974</u>	<u>11,669</u>	<u>-</u>	<u>1,570,643</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$ 14,379
General Administration	1,131
Student Transportation	12,661
Facilities, Materials, Supplies & Other Services	44,246
Total	<u>\$ 72,417</u>

NOTE 3. COMMITMENTS AND LIABILITIES

On April 1, 2017, The Great Academy Foundation, Inc. entered into a revised lease agreement with The Great Academy for the lease of a building and related property. In addition, The Great Academy has other equipment and storage facility cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$203,375. The lease obligation has been eliminated due to the consolidation of the blended component unit. The Great Academy's minimum future payments on the lease is as follows:

Year Ending June 30:	
2018	\$ 162,469
2019	168,409
2020	174,527
2021	180,829
2022	187,320
2023-2027	1,040,983
2028-2032	1,235,081
2033-2037	1,382,178
Total	<u>\$ 4,531,796</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES (CONTINUED)

The following is an analysis of the leased property under lease by major classes included in the summary of capital assets:

<u>Class of Property</u>	<u>Asset Balance</u>
Building	\$ 1,410,825
Less: Accumulated Depreciation	<u>(52,876)</u>
	<u>1,357,949</u>

Changes in long-term debt for the year ended June 30, 2017, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Note Payable to a bank	\$ 1,085,485	-	(1,085,485)	-	-
Note Payable to a bank	-	1,100,000	-	1,100,000	32,632
	<u>\$ 1,085,485</u>	<u>1,100,000</u>	<u>(1,085,485)</u>	<u>1,110,000</u>	<u>32,632</u>

Notes Payable

On June 5, 2017, the Foundation refinanced the mortgage on the building. The new note is in the amount of \$1.1 million, with a fixed interest rate of 5% and monthly principal and interest payments of \$7,304 through June 2027, with the remaining outstanding principal and interest due on June 9, 2027. The Foundation has pledged the building as collateral.

The aggregate amounts of principal maturities and interest of the mortgage payable are as follows:

	<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018		\$ 32,632	55,016	87,648
2019		34,325	53,323	87,648
2020		35,964	51,684	87,648
2021		37,972	49,676	87,648
2022		39,943	47,705	87,648
2023-2027		919,164	208,313	1,127,477
Total		<u>\$ 1,100,000</u>	<u>465,717</u>	<u>1,565,717</u>

NOTE 4. RELATED PARTY TRANSACTIONS

The Executive Director's spouse is employed by The Great Academy as the Principal. The Executive Director's daughter is employed by The Great Academy as the Student/Community Outreach Coordinator.

The Great Academy's Business Manager also serves on the Foundation Board as Treasurer.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to The Great Academy and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, The Great Academy paid employee and employer contributions of \$135,711 and \$137,508.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, The Great Academy reported a liability of \$2,492,845 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provisions that required an adjustment to roll-forward liabilities as of June 30, 2016.

The Great Academy’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, The Great Academy’s proportion was 0.03464%, which was an increase of 0.0085% from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

For the year ended June 30, 2017, The Great Academy recognized pension expense of \$420,880. As of June 30, 2017, The Great Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,815	(23,710)
Changes in assumptions	50,744	-
Net difference between projected and actual earnings on pension plan investments	148,802	-
Changes in proportion and differences between The Great Academy's contributions and proportionate share of contributions	461,923	-
The Great Academy's contributions subsequent to the measurement date	135,711	-
	<hr/>	<hr/>
Total	<u>\$ 807,995</u>	<u>(23,710)</u>

The amount of \$135,711 reported as deferred outflows of resources related to pensions resulting from The Great Academy's contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 227,469
2019	203,189
2020	181,629
2021	36,287
Total	<u>\$ 648,574</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Notes to the Financial Statements
June 30, 2017

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of The Great Academy’s proportionate share of the net pension liability to changes in the discount rate. The following presents The Great Academy’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what The Great Academy’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.

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
The Great Academy’s proportionate share of the net pension liability	\$ 3,301,715	2,492,845	1,821,711

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, The Great Academy owed \$1,754 to ERB for fiscal year 2017 contributions.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE GREAT ACADEMY CHARTER SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.03%	0.03%	0.03%
School's Proportionate Share of Net Pension Liability (Asset)	\$	2,493	1,693	1,433
School's Covered-Employee Payroll	\$	960	714	692
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		259.60%	237.11%	207.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for The Great Academy Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE GREAT ACADEMY CHARTER SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	2015	2016	2017
Statutory required contributions	\$ 118	138	135
Contributions in Relation to the Contractually Required Contribution	103	138	135
Annual contribution deficiency (excess)	\$ 15	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for The Great Academy Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	7,313	7,313
State Grant	1,935,170	1,890,031	1,828,291	(61,740)
Charges for Services	-	-	7,531	7,531
Total Revenues	<u>1,935,170</u>	<u>1,890,031</u>	<u>1,843,135</u>	<u>(46,896)</u>
EXPENDITURES				
Current:				
Instruction	1,337,262	901,502	816,526	84,976
Support Services:				
Students	257,013	257,013	200,886	56,127
Instruction	1,250	7,250	6,828	422
General Administration	212,822	222,822	219,902	2,920
School Administration	226,077	246,077	234,743	11,334
Central Services	153,810	194,810	187,968	6,842
Operation & Maintenance of Plant	332,716	615,716	499,320	116,396
Student Transportation	6,220	6,220	344	5,876
Food Services Operations	8,000	14,000	10,832	3,168
Total Expenditures	<u>2,535,170</u>	<u>2,465,410</u>	<u>2,177,349</u>	<u>288,061</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(600,000)</u>	<u>(575,379)</u>	<u>(334,214)</u>	<u>(334,957)</u>
Other Financing Sources (Uses):				
Designated Cash	600,000	575,379	-	(575,379)
Total Other Financing Sources (Uses):	<u>600,000</u>	<u>575,379</u>	<u>-</u>	<u>(575,379)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(334,214)</u>	<u>(334,214)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,034,414</u>	<u>1,034,414</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>700,200</u>	<u>700,200</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ (334,214)	
Adjustments to Revenues			-	
Adjustments to Expenditures			285,731	
NET CHANGE IN FUND BALANCE			<u>\$ (48,483)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 13,042	7,975	10,599	2,624
Total Revenues	<u>13,042</u>	<u>7,975</u>	<u>10,599</u>	<u>2,624</u>
EXPENDITURES				
Current:				
Instruction	13,042	7,975	-	7,975
Total Expenditures	<u>13,042</u>	<u>7,975</u>	<u>-</u>	<u>7,975</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	10,599	(10,599)
Net Changes in Fund Balances	-	-	10,599	(10,599)
Cash or Fund Balances - Beginning of Year	-	-	6,995	(6,995)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>17,594</u>	<u>(17,594)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 10,599	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 10,599</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 19,711	24,771	21,574	(3,197)
Total Revenues	<u>19,711</u>	<u>24,771</u>	<u>21,574</u>	<u>(3,197)</u>
EXPENDITURES				
Current:				
Instruction	19,711	24,771	16,230	8,541
Total Expenditures	<u>19,711</u>	<u>24,771</u>	<u>16,230</u>	<u>8,541</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	5,344	(5,344)
Net Changes in Fund Balances	-	-	5,344	(5,344)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>5,344</u>	<u>(4,363)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 5,344	
Adjustments to Revenues			(5,344)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 23,279	33,928	35,852	1,924
Total Revenues	<u>23,279</u>	<u>33,928</u>	<u>35,852</u>	<u>1,924</u>
EXPENDITURES				
Current:				
Instruction	23,279	33,928	32,923	1,005
Total Expenditures	<u>23,279</u>	<u>33,928</u>	<u>32,923</u>	<u>1,005</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	2,929	(2,929)
Net Changes in Fund Balances	-	-	2,929	(2,929)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,929</u>	<u>(2,929)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,929	
Adjustments to Revenues			(2,929)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Federal Charter School Planning 24146
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
<i>Total Revenues</i>	\$ -	-	-	-
EXPENDITURES				
<i>Total Expenditures</i>	-	-	-	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
<i>Net Changes in Fund Balances</i>	-	-	-	-
<i>Cash or Fund Balances - Beginning of Year</i>	-	-	45,000	45,000
<i>Cash or Fund Balances - End of Year</i>	\$ -	-	45,000	45,000
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			(45,000)	
NET CHANGE IN FUND BALANCE			\$ (45,000)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 3,277	3,277	6,107	2,830
Total Revenues	<u>3,277</u>	<u>3,277</u>	<u>6,107</u>	<u>2,830</u>
EXPENDITURES				
Current:				
Instruction	3,277	3,277	3,277	-
Total expenditures	<u>3,277</u>	<u>3,277</u>	<u>3,277</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	2,830	(2,830)
Net changes in Fund Balances	-	-	2,830	(2,830)
Cash or Fund Balances - Beginning of Year	-	-	550	(550)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,380</u>	<u>(3,380)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,830	
Adjustments to Revenues			(3,380)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (550)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	3,541	3,560	19
Total Revenues	-	3,541	3,560	19
EXPENDITURES				
Current:				
Instruction	-	3,541	3,541	-
Total Expenditures	-	3,541	3,541	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	19	(19)
Net Changes in Fund Balances	-	-	19	(19)
Cash or Fund Balances - Beginning of Year	-	-	(550)	550
Cash or Fund Balances - End of Year	\$ -	-	(531)	531
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 19	
Adjustments to Revenues			531	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 550	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	158,767	188,885	30,118
Total Revenues	<u>-</u>	<u>158,767</u>	<u>188,885</u>	<u>30,118</u>
EXPENDITURES				
Capital Outlay	-	158,767	158,767	-
Total Expenditures	<u>-</u>	<u>158,767</u>	<u>158,767</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	30,118	(30,118)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>30,118</u>	<u>(30,118)</u>
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>30,118</u>	<u>(30,118)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 30,118	
Adjustments to Revenues			(30,118)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	146,269	142,500	(3,769)
Total Revenues	<u>-</u>	<u>146,269</u>	<u>142,500</u>	<u>(3,769)</u>
EXPENDITURES				
Current:				
Instruction	-	79,500	74,056	5,444
Operation & Maintenance of Plant	-	66,759	55,988	10,771
Total Expenditures	<u>-</u>	<u>146,259</u>	<u>130,044</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	12,456	(12,456)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>12,456</u>	<u>(12,456)</u>
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>12,456</u>	<u>(12,456)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 12,456	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 12,456</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 10,868	15,002	10,868	(4,134)
Total Revenues	10,868	15,002	10,868	(4,134)
EXPENDITURES				
Current:				
Instruction	10,868	15,002	10,868	4,134
Total Expenditures	10,868	15,002	10,868	4,134
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	4,159
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
BNY Mellon	FNMA FNMS	31418AJK5	9/1/2032	\$ 49,636
				<u>\$ 49,636</u>

Total Cash per Schedule of Cash Accounts (Excluding Foundation):	\$	315,770
Less: FDIC coverage :		<u>(250,000)</u>
Uninsured Public Funds:		65,770
Collateral Requirement:		32,885
Pledged Collateral Held by Pledging Financial Institution:		<u>49,636</u>
Balance Over/(Under) Collateralized:	\$	<u>16,751</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	\$	<u>16,134</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 315,770
Checking - Foundation	<u>444,560</u>
<i>Total on Deposit</i>	760,330
Reconciling Items	<u>(11,711)</u>
Reconciled Balance June 30, 2017	<u>748,619</u>
Less Agency Funds	<u>-</u>
<i>Total Cash</i>	<u><u>\$ 748,619</u></u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Federal Projects Account 24000	State Flowthrough 27000
Cash, June 30, 2016	\$ 568,384	6,995	-	-
Add:				
2016-17 revenues	1,843,135	10,599	63,533	3,560
Total Cash Available	2,411,519	17,594	63,533	3,560
Less:				
2016-17 expenditures	(2,177,349)	-	(52,430)	(3,541)
Receivables/Payables	18,544	-	-	-
Outstanding Loans	(31,529)	-	30,998	531
Cash June 30, 2017	221,185	17,594	42,101	550
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	52,974	-	(42,101)	(550)
Cash Per Books	274,159	17,594	-	-
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	711,772	-	-	-
Fund Balance, Modified Accrual Basis	<u>\$ 985,931</u>	<u>17,594</u>	<u>-</u>	<u>-</u>

Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
-	-	-	575,379
188,885	142,500	10,868	2,263,080
188,885	142,500	10,868	2,838,459
(158,767)	(130,044)	(10,868)	(2,532,999)
-	-	-	18,544
-	-	-	-
30,118	12,456	-	324,004
(30,118)	-	-	(19,795)
-	12,456	-	304,209
	Balance Sheet-Foundation:		444,410
			\$ 748,619
-	-	-	711,772
-	12,456	-	1,015,981
		Add Foundation :	(246,939)
	Balance Sheets - Governmental Funds:		\$ 769,042

HEALTH LEADERSHIP HIGH SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,395,214
Receivables	
Due from Government	11,346
Deposits	27,000
Prepaid Expenses	152,556
Total Current Assets	<u>1,586,116</u>

Noncurrent Assets:

Capital Assets	
Vehicles	45,757
Furniture, Fixtures, and Equipment	80,510
Less: Accumulated Depreciation	(54,137)
Total Noncurrent Assets	<u>72,130</u>

Total Assets 1,658,246

Deferred Outflows - Pension Related 1,492,849

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	6,122
Accrued Liabilities	126,402
Total Current Liabilities	<u>132,524</u>

Noncurrent Liabilities:

Net Pension Liability	3,098,065
Total Noncurrent Liabilities	<u>3,098,065</u>

Total Liabilities 3,230,589

Deferred Inflows - Pension Related 29,467

NET POSITION (DEFICIT)

Investment in Capital Assets	72,130
Restricted	241,847
Unrestricted (Deficit)	(422,938)
Total Net Position (Deficit)	<u>\$ (108,961)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Statement of Activities
For The Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 1,331,837	3,380	140,991	-	(1,187,466)
Support Services:					
Students	268,357	-	-	-	(268,357)
Instruction	183,794	-	-	-	(183,794)
General Administration	251,347	-	-	-	(251,347)
School Administration	442,327	-	-	-	(442,327)
Central Services	178,406	-	-	-	(178,406)
Operation & Maintenance of Plant	197,054	-	-	-	(197,054)
Community Services Operations	20,293	-	-	-	(20,293)
Food Services	94,959	-	50,740	-	(44,219)
Facilities Materials, Supplies & Other Services	152,363	-	-	139,081	(13,282)
Total Governmental Activities	\$ 3,120,737	3,380	191,731	139,081	(2,786,545)
		General Revenues:			
					\$ 126,454
					2,182,115
					<u>2,308,569</u>
					Change in Net Position
					(477,976)
					Net Position, Beginning
					<u>369,015</u>
					Net Position (Deficit), Ending
					<u>\$ (108,961)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Balance Sheets - Governmental Funds
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 1,154,367	21,097	-	-
Accounts Receivable				
Due from Government	-	-	5,880	-
Due from Other Funds	9,115	-	-	-
Deposits	27,000	-	-	-
Prepaid Expenditures	152,556	-	-	-
Total Assets	\$ 1,343,038	21,097	5,880	-
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 6,122	-	-	-
Accrued Expenditures	125,171	-	-	-
Due to Other Funds	-	-	5,880	-
Total Liabilities	131,293	-	5,880	-
Fund Balances				
Fund Balance:				
Nonspendable:				
Deposits	27,000	-	-	-
Prepaid Expenditures	152,556	-	-	-
Restricted for:				
Instruction	-	21,097	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	1,032,189	-	-	-
Total Fund Balance	1,211,745	21,097	-	-
Total Liabilities and Fund Balances	\$ 1,343,038	21,097	5,880	-

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Daniels Fund 26141	Dual Credit 27103	Library GO Bonds 27107	College Advisors Initiative 27189
-	-	1,185	-	-	46
-	-	-	-	3,235	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,185	-	3,235	46
-	-	-	-	-	-
-	-	1,185	-	-	46
-	-	-	-	3,235	-
-	-	1,185	-	3,235	46
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,185	-	3,235	46

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Balance Sheets - Governmental Funds (continued)
June 30, 2017

	Private Direct Grant 29102	McCune 29114	Public School Capital Outlay 31200	Special Capital Outlay 31400
ASSETS				
Cash and Cash Equivalents	\$ 29,589	19,573	-	-
Accounts Receivable				
Due from Government	-	-	-	-
Due from Other Funds	-	-	-	-
Deposits	-	-	-	-
Prepaid Expenditures	-	-	-	-
Total Assets	\$ 29,589	19,573	-	-
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	-	-	-
Accrued Expenditures	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances				
Fund Balance:				
Nonspendable:				
Deposits	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	29,589	19,573	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	-
Total Fund Balance	29,589	19,573	-	-
Total Liabilities and Fund Balances	\$ 29,589	19,573	-	-

The accompanying notes are an integral part of these financial statements

Capital Improvement HB-33 31600	Capital Improvement SB-9 31700	Capital Improvement SB-9 Local 31701	Total
82,574	-	86,783	1,395,214
551	1,402	278	11,346
-	-	-	9,115
-	-	-	27,000
-	-	-	152,556
83,125	1,402	87,061	1,595,231
-	-	-	6,122
-	-	-	126,402
-	-	-	9,115
-	-	-	141,639
-	-	-	27,000
-	-	-	152,556
-	-	-	70,259
83,125	1,402	87,061	171,588
-	-	-	1,032,189
83,125	1,402	87,061	1,453,592
83,125	1,402	87,061	1,595,231

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 1,453,592**

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

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

Capital Assets	126,267	
Accumulated Depreciation	(54,137)	
		72,130

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds		1,492,849
--	--	-----------

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(29,467)
--	--	----------

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		(3,098,065)

Net Position (Deficit)-Total Governmental Activities **\$ (108,961)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	1,816	-	-	-
State Grant	2,182,115	11,900	-	-
Federal Grant	-	-	50,740	28,853
Charges for Services	3,380	-	-	-
Total Revenues	2,187,311	11,900	50,740	28,853
EXPENDITURES				
Current:				
Instruction	724,571	1,587	-	28,853
Support Services:				
Students	265,122	-	-	-
Instruction	179,573	-	-	-
General Administration	250,082	-	-	-
School Administration	180,634	-	-	-
Central Services	178,406	-	-	-
Operation & Maintenance of Plant	197,054	-	-	-
Food Services Operations	4,455	-	50,740	-
Community Services Operation	8,000	-	-	-
Capital Outlay	375	-	-	-
Total Expenditures	1,988,272	1,587	50,740	28,853
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	199,039	10,313	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	199,039	10,313	-	-
Fund Balances - Beginning of Year	1,012,706	10,784	-	-
Fund Balances - End of Year	\$ 1,211,745	21,097	-	-

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Daniels Fund 26141	Dual Credit 27103	Library GO Bonds 27107	College Advisors Initiative 27189
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	435	3,235	-
19,458	-	-	-	-	-
-	-	-	-	-	-
<u>19,458</u>	<u>-</u>	<u>-</u>	<u>435</u>	<u>3,235</u>	<u>-</u>
19,458	-	-	435	-	-
-	-	-	-	3,235	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>19,458</u>	<u>-</u>	<u>-</u>	<u>435</u>	<u>3,235</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Statement of Revenues, Expenditures, and Changes In Fund Balances (continued)
Governmental Funds
For The Year Ended June 30, 2017

	Private Direct Grants 29102	McCune 29114	Public School Capital Outlay 31200	Special Capital Outlay 31400
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	75,294	-	-	-
State Grant	-	-	137,679	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	<u>75,294</u>	<u>-</u>	<u>137,679</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	50,577	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	4,221	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Food Services Operations	-	114	-	-
Community Services Operation	-	12,293	-	-
Capital Outlay	-	-	137,679	-
Total Expenditures	<u>54,798</u>	<u>12,407</u>	<u>137,679</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>20,496</u>	<u>(12,407)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>20,496</u>	<u>(12,407)</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>9,093</u>	<u>31,980</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 29,589</u>	<u>19,573</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Capital Improvement HB-33 31600	Capital Improvement SB-9 31700	Capital Improvement SB-9 Local 31701	Total
83,965	-	42,489	126,454
-	-	-	77,110
-	1,402	-	2,336,766
-	-	-	99,051
-	-	-	3,380
<u>83,965</u>	<u>1,402</u>	<u>42,489</u>	<u>2,642,761</u>
-	-	-	825,481
-	-	-	268,357
-	-	-	183,794
840	-	425	251,347
-	-	-	180,634
-	-	-	178,406
-	-	-	197,054
-	-	-	55,309
-	-	-	20,293
-	1,402	-	139,456
<u>840</u>	<u>1,402</u>	<u>425</u>	<u>2,300,131</u>
<u>83,125</u>	<u>-</u>	<u>42,064</u>	<u>342,630</u>
-	(44,997)	44,997	-
-	(44,997)	44,997	-
<u>83,125</u>	<u>(44,997)</u>	<u>87,061</u>	<u>342,630</u>
-	46,399	-	1,110,962
<u>83,125</u>	<u>1,402</u>	<u>87,061</u>	<u>1,453,592</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 342,630**

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

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
capital outlay exceeds depreciation for the period

Depreciation Expense (27,597)

Changes in deferred outflows of resources-pension related,
deferred inflows of resources-pension related, and the net
pension liability (793,009)

Change in Net Position-Total Governmental Activities **\$ (477,976)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Funds</u>
ASSETS	
Cash in Bank	<u>\$ 1,599</u>
Total Assets	<u><u>\$ 1,599</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 1,599</u>
Total Liabilities	<u><u>\$ 1,599</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 786	1,066	253	1,599
Total Assets	<u>\$ 786</u>	<u>1,066</u>	<u>253</u>	<u>1,599</u>
LIABILITIES				
Deposits Held for Others	\$ 786	1,066	253	1,599
Total Liabilities	<u>\$ 786</u>	<u>1,066</u>	<u>253</u>	<u>1,599</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Health Leadership High School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Health Leadership High School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Health Leadership High School utilizes the Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Vehicles	5 years
Furniture, Fixtures and Equipment	3-7 years

Capital assets for Health Leadership High School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Vehicles	45,757	-	-	45,757
Furniture, Fixtures and Equipment	80,510	-	-	80,510
Total	126,267	-	-	126,267
 <i>Less: Accumulated Depreciation</i>				
Vehicles	(5,338)	(9,151)	-	(14,489)
Furniture, Fixtures and Equipment	(21,202)	(18,446)	-	(39,648)
Total	(26,540)	(27,597)	-	(54,137)
Capital Assets, Net	\$ 99,727	(27,597)	-	72,130

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$ 14,690
Facilities Materials, Supplies & Other Services	12,907
Total	\$ 27,597

NOTE 3. COMMITMENTS AND LIABILITIES

Health Leadership High School leases a facility under a long-term cancelable operating lease. Lease expense for the year ended June 30, 2017 was \$245,066. Health Leadership High School's minimum future payments on this lease are as follows:

Year Ending June 30:	
2018	\$ 253,200
2019	259,440
2020	265,800
Total	\$ 778,440

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Health Leadership High School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,441	(29,497)
Changes in assumptions	63,064	-
Net difference between projected and actual earnings on pension plan investments	184,929	-
Changes in proportion and differences between Health Leadership High School's contributions and proportionate share of contributions	1,054,574	-
Health Leadership High School's contributions subsequent to the measurement date	<u>176,841</u>	<u>-</u>
Total	<u>\$ 1,492,849</u>	<u>(29,467)</u>

The amount of \$176,841 reported as deferred outflows of resources related to pensions resulting from Health Leadership High School's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 697,538
2019	318,490
2020	225,417
2021	<u>45,096</u>
Total	<u>\$ 1,286,541</u>

Sensitivity of Health Leadership High School's proportionate share of the net pension liability to changes in the discount rate. The following presents Health Leadership High School's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as the Health Leadership High 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:

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Health Leadership High School
 Notes to the Financial Statements
 June 30, 2017

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Health Leadership High School's proportionate share of the net pension liability	\$ 4,103,315	3,098,065	2,263,991

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017. Health Leadership High School owed \$38,707 to ERB for fiscal year 2017 contributions.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Health Leadership High School paid employee and employer contributions of \$176,841 and \$156,761.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017 Health Leadership High School reported a liability of \$3,098,065 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Health Leadership High School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Health Leadership High School’s proportion was 0.04305%, which was an increase of 0.01054% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Health Leadership High School recognized pension expense of \$984,690. As of June 30, 2017, Health Leadership reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	30-Jun		
Fiscal Year	2017	2016	2015
Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)	0.04%	0.05%	0.03%
School's Proportionate Share of Net Pension Liability (Asset)	\$ 3,098	2,106	2,620
School's Covered-Employee Payroll	\$ 1,267	888	737
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	244.48%	237.16%	355.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Health Leadership High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ 147	157	176
Contributions in Relation to the Contractually Required Contribution	129	157	176
Annual contribution deficiency (excess)	\$ 18	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Health Leadership High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	1,816	1,816
State Grant	2,312,366	2,182,115	2,182,115	-
Charges for Services	3,000	3,000	3,380	380
Total Revenues	2,315,366	2,185,115	2,187,311	2,196
EXPENDITURES				
Current:				
Instruction	1,063,661	1,204,759	724,640	480,119
Support Services:				
Students	392,004	512,083	265,122	246,961
Instruction	272,654	270,654	179,573	91,081
General Administration	290,336	318,836	266,372	52,464
School Administration	222,475	221,975	175,275	46,700
Central Services	215,645	214,800	178,985	35,815
Operation & Maintenance of Plant	231,500	222,659	196,935	25,724
Community Services Operations	15,000	10,000	8,000	2,000
Food Services Operations	29,000	29,000	4,455	24,545
Capital outlay	200,000	152,787	-	152,787
Total Expenditures	2,932,275	3,157,553	1,999,357	1,158,196
Excess (Deficiency) of Revenues Over (Under) Expenditures	(616,909)	(972,438)	187,954	1,160,392
Other Financing Sources (Uses):				
Designated Cash	616,909	972,438	-	(972,438)
Total Other Financing Sources (Uses):	616,909	972,438	-	(972,438)
Net Change in Fund Balance	-	-	187,954	187,954
Cash or Fund Balance - Beginning of Year	-	-	1,012,706	1,012,706
Cash or Fund Balance - End of Year	\$ -	-	1,200,660	1,200,660
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 187,954	
Adjustments to Revenues			-	
Adjustments to Expenditures			11,085	
NET CHANGE IN FUND BALANCE			\$ 199,039	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 7,958	7,958	11,900	3,942
Total Revenues	7,958	7,958	11,900	3,942
EXPENDITURES				
Current:				
Instruction	11,844	18,742	1,587	17,155
Total Expenditures	11,844	18,742	1,587	17,155
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(3,886)</i>	<i>(10,784)</i>	<i>10,313</i>	<i>21,097</i>
Other Financing Sources (Uses):				
Designated Cash	3,886	10,784	-	(10,784)
Total Other Financing Sources (Uses):	3,886	10,784	-	(10,784)
Net Change in Fund Balance	-	-	10,313	10,313
Cash or Fund Balance - Beginning of Year	-	-	10,784	10,784
Cash or Fund Balance - End of Year	\$ -	-	21,097	21,097
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 10,313	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 10,313	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 55,000	55,000	44,860	(10,140)
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>44,860</u>	<u>(10,140)</u>
EXPENDITURES				
Current:				
Food Services Operations	55,000	55,000	50,740	4,260
Total Expenditures	<u>55,000</u>	<u>55,000</u>	<u>50,740</u>	<u>4,260</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(5,880)	(5,880)
Net Change in Fund Balance	-	-	(5,880)	(5,880)
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,880)</u>	<u>(5,880)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (5,880)	
Adjustments to Revenues			5,880	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 40,364	45,568	31,941	(13,627)
Total Revenues	<u>40,364</u>	<u>45,568</u>	<u>31,941</u>	<u>(13,627)</u>
EXPENDITURES				
Current:				
Instruction	40,364	45,568	28,853	16,715
Total Expenditures	<u>40,364</u>	<u>45,568</u>	<u>28,853</u>	<u>16,715</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	3,088	3,088
Net Change in Fund Balance	-	-	3,088	3,088
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,088</u>	<u>3,088</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 3,088	
Adjustments to Revenues			(3,088)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 19,458	19,458	19,458	-
Total Revenues	19,458	19,458	19,458	-
EXPENDITURES				
Current:				
Instruction	19,458	19,458	19,458	-
Total Expenditures	19,458	19,458	19,458	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher/Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal grant	\$ -	7,680	10,908	3,228
Total Revenues	-	7,680	10,908	3,228
EXPENDITURES				
Current:				
Support Services:				
Instruction	-	2,875	-	2,875
School Administration	-	4,805	-	4,805
Total Expenditures	-	7,680	-	7,680
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	10,908	10,908
Net Change in Fund Balance	-	-	10,908	10,908
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	\$ -	-	10,908	10,908
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 10,908	
Adjustments to Revenues			(10,908)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit 27103
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	435	435	-
Total Revenues	<u>-</u>	<u>435</u>	<u>435</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	435	435	-
Total expenditures	<u>-</u>	<u>435</u>	<u>435</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Library GO Bonds 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 3,235	3,235	-	3,235
Total Revenues	<u>3,235</u>	<u>3,235</u>	<u>-</u>	<u>3,235</u>
EXPENDITURES				
Current:				
Support Services:				
Students	3,235	3,235	3,235	-
Total expenditures	<u>3,235</u>	<u>3,235</u>	<u>3,235</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(3,235)	3,235
Net change in Fund Balance	<u>-</u>	<u>-</u>	<u>(3,235)</u>	<u>3,235</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,235)</u>	<u>3,235</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,235)	
Adjustments to Revenues			3,235	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	65,000	77,294	12,294
Total Revenues	-	65,000	77,294	12,294
EXPENDITURES				
Current:				
Instruction	-	53,000	50,577	2,423
Support Services:				
Instruction	-	2,500	2,304	196
General Administration	-	16,593	1,917	14,676
Total Expenditures	-	72,093	54,798	17,295
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(7,093)	22,496	29,589
Other financing sources (uses):				
Designated Cash	-	7,093	-	(7,093)
Total other financing sources (uses):	-	7,093	-	(7,093)
Net Change in Fund Balance	-	-	22,496	22,496
Cash or Fund Balance - Beginning of Year	-	-	9,093	9,093
Cash or Fund Balance - End of Year	\$ -	-	31,589	31,589
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 22,496	
Adjustments to Revenues			(2,000)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 20,496	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
McCune Charitable Foundation 29114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
<i>Total Revenues</i>	-	-	-	-
EXPENDITURES				
Current:				
Community Services Operations	17,923	31,980	12,293	19,687
Food Services Operations	-	-	114	(114)
Total Expenditures	17,923	31,980	12,407	19,573
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(17,923)</i>	<i>(31,980)</i>	<i>(12,407)</i>	<i>19,573</i>
Other financing sources (uses):				
Designated Cash	17,923	31,980	-	(31,980)
Total other financing sources (uses):	17,923	31,980	-	(31,980)
Net Change in Fund Balance	-	-	(12,407)	(12,407)
Cash or Fund Balance - Beginning of Year	-	-	31,980	31,980
Cash or Fund Balance - End of Year	\$ -	-	19,573	19,573
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (12,407)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (12,407)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	137,679	137,679	-
Total Revenues	-	137,679	137,679	-
EXPENDITURES				
Capital Outlay	-	137,679	137,679	-
Total Expenditures	-	137,679	137,679	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay 31400
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	-	115,000	115,000
Total Revenues	<u>-</u>	<u>-</u>	<u>115,000</u>	<u>115,000</u>
EXPENDITURES				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>115,000</u>	<u>115,000</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>115,000</u>	<u>115,000</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>115,000</u>	<u>115,000</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 115,000	
Adjustments to Revenues			(115,000)	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 85,324	85,324	83,965	(1,359)
Total Revenues	85,324	85,324	83,965	(1,359)
EXPENDITURES				
Current:				
Support Services:				
General Administration	-	1,000	840	160
Capital Outlay	85,324	84,324	-	84,324
Total Expenditures	85,324	85,324	840	84,484
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	83,125	83,125
Net Change in Fund Balance	-	-	83,125	83,125
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	\$ -	-	83,125	83,125
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 83,125	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 83,125	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
<i>Total Revenues</i>	-	-	-	-
EXPENDITURES				
Capital Outlay	5,471	5,471	1,402	4,069
<i>Total Expenditures</i>	5,471	5,471	1,402	4,069
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(5,471)	(5,471)	(1,402)	4,069
Other Financing Sources (Uses):				
Transfers in (out)	-	-	(44,997)	(44,997)
Designated Cash	5,471	5,471	-	(5,471)
<i>Total Other Financing Sources (Uses):</i>	5,471	5,471	(44,997)	(50,468)
Net Change in Fund Balance	-	-	(46,399)	4,069
Cash or Fund Balance - Beginning of Year	-	-	46,399	-
Cash or Fund Balance - End of Year	\$ -	-	-	4,069
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (46,399)	
Adjustments to Revenues			1,402	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (44,997)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 42,758	42,758	42,489	(269)
Total Revenues	<u>42,758</u>	<u>42,758</u>	<u>42,489</u>	<u>(269)</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	-	1,000	425	575
Capital Outlay	89,414	88,414	-	88,414
Total Expenditures	<u>89,414</u>	<u>89,414</u>	<u>425</u>	<u>88,989</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(46,656)</u>	<u>(46,656)</u>	<u>42,064</u>	<u>88,720</u>
Other Financing Sources (Uses):				
Transfers in (out)	-	-	44,997	44,997
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>44,997</u>	<u>44,997</u>
Net Change in Fund Balance	<u>(46,656)</u>	<u>(46,656)</u>	<u>87,061</u>	<u>88,720</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ (46,656)</u>	<u>(46,656)</u>	<u>87,061</u>	<u>88,720</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 87,061	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 87,061</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Suntrust Bank	GO MUN PURP LN BD	168592S46	12/1/2025	\$ 684,867
Suntrust Bank	GO REF SCH BDS	400424JZ1	11/1/2022	549,780
				<u>\$ 1,234,647</u>
Total Cash per Schedule of Cash Accounts:				\$ 1,427,942
Less: FDIC coverage:				(250,000)
Uninsured Public Funds:				1,177,942
Collateral Requirement:				588,971
Pledged Collateral Held by Pledging Financial Institution:				<u>1,234,647</u>
Balance Over (Under) Collateralized:				<u>\$ 645,676</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ -</u>

The accompanying notes are an intergral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>New Mexico Bank & Trust</u>
Checking - Operational Account	<u>\$ 1,427,942</u>
Reconciling Items	<u>(31,129)</u>
Reconciled Balance June 30, 2017	<u>1,396,813</u>
Less Agency Funds	<u>(1,599)</u>
Total Cash	<u><u>\$ 1,395,214</u></u>

The accompanying notes are an intergral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Agency Funds Account 23000
Cash, June 30, 2016	\$ 972,438	10,784	-	786
Add:				
2016-17 revenues	<u>2,187,311</u>	<u>11,900</u>	<u>44,860</u>	<u>1,066</u>
Total Cash Available	3,159,749	22,684	44,860	1,852
Less:				
2016-17 expenditures	(1,999,357)	(1,587)	(50,740)	(253)
Receivables/Payables	125,171	-	-	-
Outstanding Loans	<u>(9,115)</u>	<u>-</u>	<u>5,880</u>	<u>-</u>
Cash June 30, 2017	<u>1,276,448</u>	<u>21,097</u>	<u>-</u>	<u>1,599</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(122,081)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Per Books	<u>1,154,367</u>	<u>21,097</u>	<u>-</u>	<u>1,599</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>57,378</u>	<u>-</u>	<u>-</u>	<u>(1,599)</u>
Fund Balance, Modified Accrual Basis	<u>\$ 1,211,745</u>	<u>21,097</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	Local Grants Account 26000	State Account 27000	Local or State Account 29000	Public School Capital Outlay 31200	Special Capital Outlay 31400
-	593	23	39,073	-	-
62,307	-	435	77,294	137,679	115,000
62,307	593	458	116,367	137,679	115,000
(48,311)	-	(3,670)	(67,205)	(137,679)	-
-	1,185	46	-	-	-
-	-	3,235	-	-	-
13,996	1,778	69	49,162	-	115,000
(13,996)	(593)	(23)	-	-	(115,000)
-	1,185	46	49,162	-	-
-	(1,185)	(46)	-	-	-
-	-	-	49,162	-	-

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Cash Reconciliation
June 30, 2017**

	Capital Improvement HB-33 31600	Capital Improvement SB-9 31700	Capital Improvement SB-9 Local 31701	Total
Cash, June 30, 2016	-	46,399	-	1,070,096
Add:				
2016-17 revenues	83,965	-	87,486	2,809,303
Total Cash Available	83,965	46,399	87,486	3,879,399
Less:				
2016-17 expenditures	(840)	(46,399)	(425)	(2,356,466)
Receivables/Payables	-	-	-	126,402
Outstanding Loans	-	-	-	-
Cash June 30, 2017	83,125	-	87,061	1,649,335
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	(551)	-	(278)	(252,522)
Cash Per Books	82,574	-	86,783	1,396,813
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:				(1,599)
				<u>\$ 1,395,214</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	551	1,402	278	56,779
Fund Balance, Modified Accrual Basis	83,125	1,402	87,061	1,453,592

The accompanying notes are an integral part of these financial statements

HORIZON ACADEMY WEST

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash	\$ 1,107,522
Receivables	
Due from Other Governments	95,805
Total Current Assets	<u>1,203,327</u>

Noncurrent Assets:

Capital Assets	
Land	164,000
Building and Improvements	5,180,783
Furniture, Fixtures, and Equipment	11,077
Less: Accumulated Depreciation	<u>(531,391)</u>
Total Capital Assets	4,824,469
Restricted Cash	<u>975,691</u>
Total Noncurrent Assets	<u>5,800,160</u>
Total Assets	<u>7,003,487</u>

Deferred Outflows - Pension Related	<u>711,974</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accrued Liabilities	250,831
Accrued Interest	128,438
Compensated Absences	9,844
Current Portion of Bonds Payable	<u>90,000</u>
Total Current Liabilities	<u>479,113</u>

Noncurrent Liabilities:

Bonds Payable	6,410,000
Net Pension Liability	<u>4,540,230</u>
Total Noncurrent Liabilities	<u>10,950,230</u>
Total Liabilities	<u>11,429,343</u>

Deferred Inflows - Pension Related	<u>93,724</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	(699,840)
Restricted	1,565,129
Unrestricted (Deficit)	<u>(4,672,895)</u>
Total Net Position (Deficit)	<u>\$ (3,807,606)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Statement of Activities
For The Year Ended June 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 2,246,702	65,610	276,886	-	(1,904,206)
Support Services:					
Students	249,995	-	103,045	-	(146,950)
Instruction	68,308	-	25,731	-	(42,577)
General Administration	82,298	-	-	-	(82,298)
School Administration	322,282	-	12,364	-	(309,918)
Central Services	211,267	-	-	-	(211,267)
Operation & Maintenance of Plant	232,558	-	-	-	(232,558)
Interest on Long-term Debt	386,057	-	-	-	(386,057)
Food Services	275,890	28,176	250,147	-	2,433
Facilities Materials, Supplies & Other Services	246,049	-	-	332,948	86,899
Total Governmental Activities	<u>\$ 4,321,406</u>	<u>93,786</u>	<u>668,173</u>	<u>332,948</u>	<u>(3,226,499)</u>
General Revenues:					
Property Taxes					\$ 400,116
State Equalization Guarantee					2,715,663
Miscellaneous					913
Total General Revenues					<u>3,116,692</u>
Change in Net Position					(109,807)
Net Position (Deficit), Beginning					<u>(3,697,799)</u>
Net Position (Deficit), Ending					<u>\$ (3,807,606)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash	\$ 381,766	6,921	108,296	-
Restricted Cash	-	-	-	-
Accounts Receivable				
Due from Other Governments	-	-	-	24,026
Due from Other Funds	64,776	-	-	-
Prepaid expenditures	-	-	-	-
Total Assets	\$ 446,542	6,921	108,296	24,026
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Liabilities	\$ 215,981	-	-	12,558
Due to Other Funds	-	-	-	11,468
Unearned rent	-	-	-	-
Total Liabilities	215,981	-	-	24,026
Fund Balances				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	-	6,921	-	-
Food Services	-	-	108,296	-
Debt Service	-	-	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	230,561	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	230,561	6,921	108,296	-
Total Liabilities and Fund Balances	\$ 446,542	6,921	108,296	24,026

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Preschool IDEA-B 24109	Teacher Principal Training 24154	Pre-K Initiative 27149	Public Schools Capital Outlay 31200	Capital Improvements HB-33 31600
-	-	-	-	-	248,195
-	-	-	-	-	-
46,045	2,576	477	11,842	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>46,045</u>	<u>2,576</u>	<u>477</u>	<u>11,842</u>	<u>-</u>	<u>248,195</u>
10,226	-	2	8,243	-	-
35,819	2,576	475	3,599	-	-
-	-	-	-	-	-
<u>46,045</u>	<u>2,576</u>	<u>477</u>	<u>11,842</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	248,195
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,195</u>
<u>46,045</u>	<u>2,576</u>	<u>477</u>	<u>11,842</u>	<u>-</u>	<u>248,195</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Capital				Total
	SB-9 Capital Improvements 31700	Improvements SB-9 Local 31701	CREW 61000	Foundation	
ASSETS					
Cash	\$ -	344,145	1,830	16,369	1,107,522
Restricted Cash	-	-	-	975,691	975,691
Accounts Receivable					
Due from Other Governments	10,839	-	-	-	95,805
Due from Other Funds	-	-	-	-	64,776
Prepaid expenditures	-	130,736	-	-	130,736
Total Assets	\$ 10,839	474,881	1,830	992,060	2,374,530
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accrued Liabilities	\$ -	-	69	3,752	250,831
Due to Other Funds	10,839	-	-	-	64,776
Unearned rent	-	-	-	130,736	130,736
Total Liabilities	10,839	-	69	134,488	446,343
Fund Balances					
Fund Balance:					
Nonspendable:					
Prepaid Expenditures	-	130,736	-	-	130,736
Restricted for:					
Instruction	-	-	-	-	6,921
Food Services	-	-	-	-	108,296
Debt Service	-	-	-	857,572	857,572
Capital Improvements	-	344,145	-	-	592,340
Assigned to:					
Subsequent Years Expenditures and Other Programs	-	-	-	-	230,561
Unassigned	-	-	1,761	-	1,761
Total Fund Balances	-	474,881	1,761	857,572	1,928,187
Total Liabilities and Fund Balances	\$ 10,839	474,881	1,830	992,060	2,374,530

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 1,928,187**

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

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

Capital Assets	5,355,860	
Accumulated Depreciation	<u>(531,391)</u>	
		4,824,469

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		711,974
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The Revenue Bonds are not due in the current period and, therefore, are not reported in the funds.		(6,500,000)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Accrued Interest	(128,438)	
Compensated Absences	<u>(9,844)</u>	
		(138,282)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(93,724)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(4,540,230)</u>
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Net Position (Deficit)-Total Governmental Activities		<u><u>\$ (3,807,606)</u></u>
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The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	2,715,663	27,954	-	-
Federal Grant	-	-	250,147	127,060
Charges for Services	-	-	28,176	-
Miscellaneous Income	200	-	-	-
Total Revenues	2,715,863	27,954	278,323	127,060
EXPENDITURES				
Current:				
Instruction	1,819,276	22,644	-	21,612
Support Services:				
Students	142,713	-	-	79,717
Instruction	39,551	-	-	25,731
General Administration	58,297	-	-	-
School Administration	292,187	-	-	-
Central Services	204,521	-	-	-
Operation & Maintenance of Plant	438,395	-	-	-
Food Services Operations	-	-	275,890	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	2,994,940	22,644	275,890	127,060
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(279,077)</i>	<i>5,310</i>	<i>2,433</i>	<i>-</i>
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Changes in Fund Balances	(279,077)	5,310	2,433	-
Fund Balances - Beginning of Year	509,638	1,611	105,863	-
Fund Balances - End of Year	\$ 230,561	6,921	108,296	-

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Preschool IDEA-B 24109	Teacher Principal Training 24154	Pre-K Initiative 27149	Public School Capital Outlay 31200	Capital Improvements HB-33 31600
-	-	-	-	-	250,702
-	-	-	124,209	322,109	-
114,186	2,576	22,041	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>114,186</u>	<u>2,576</u>	<u>22,041</u>	<u>124,209</u>	<u>322,109</u>	<u>250,702</u>
102,938	-	22,041	102,341	-	-
11,248	2,576	-	9,504	-	-
-	-	-	-	-	-
-	-	-	-	-	2,507
-	-	-	12,364	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	322,109	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>114,186</u>	<u>2,576</u>	<u>22,041</u>	<u>124,209</u>	<u>322,109</u>	<u>2,507</u>
-	-	-	-	-	248,195
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	248,195
-	-	-	-	-	-
-	-	-	-	-	248,195

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Statement of Revenues, Expenditures, and Changes In Fund Balances - Continued
Governmental Funds
For The Year Ended June 30, 2017

	SB-9 Capital Improve- ments 31700	Capital Improvements SB-9 Local 31701	CREW 61000	Foundation	Total
REVENUES					
Property Taxes	\$ -	149,414	-	-	400,116
State Grant	10,839	-	-	-	3,200,774
Federal Grant	-	-	-	-	516,010
Charges for Services	-	-	65,610	546,745	640,531
Miscellaneous Income	-	-	-	713	913
Total Revenues	10,839	149,414	65,610	547,458	4,758,344
EXPENDITURES					
Current:					
Instruction	-	-	55,378	-	2,146,230
Support Services:					
Students	-	-	-	-	245,758
Instruction	-	-	-	-	65,282
General Administration	-	1,494	20,000	-	82,298
School Administration	-	-	3,327	-	307,878
Central Services	-	-	1,420	-	205,941
Operation & Maintenance of Plant	-	-	222	-	438,617
Food Services Operations	-	-	-	-	275,890
Capital Outlay	10,839	55,994	-	74,301	463,243
Debt service					
Principal	-	-	-	85,000	85,000
Interest	-	-	-	387,544	387,544
Total Expenditures	10,839	57,488	80,347	546,845	4,703,681
<i>Excess (Deficiency) of Revenues</i>					
<i>Over (Under) Expenditures</i>	-	91,926	(14,737)	613	54,663
Other financing sources (uses):					
Transfers in (out)	(382,955)	382,955	-	-	-
Total other financing sources (uses)	(382,955)	382,955	-	-	-
Net Changes in Fund Balances	(382,955)	474,881	(14,737)	613	54,663
Fund Balances - Beginning of Year	382,955	-	16,498	856,959	1,873,524
Fund Balances - End of Year	\$ -	474,881	1,761	857,572	1,928,187

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 54,663**

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

Change in Compensated Absences (1,418)

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 capital outlay exceeds depreciation for the period

Capital Outlays	6,660	
Depreciation Expense	(135,156)	
	(128,496)	(128,496)

The issuance of long-term debt (e.g., bonds, notes, leases) provide 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.

Bonds Payable Principal Payments	85,000	
Change in Accrued Interest	1,487	
	86,487	86,487

Changes in deferred outflows of resources - pension related, deferred inflows of resources - pension related, and the net pension liability		(121,043)
		(121,043)

Change in Net Position-Total Governmental Activities **\$ (109,807)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 32,054
Total Assets	<u>\$ 32,054</u>
LIABILITIES	
Deposits Held for Others	\$ 32,054
Total Liabilities	<u>\$ 32,054</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 31,078	51,156	(50,180)	32,054
Total Assets	<u>\$ 31,078</u>	<u>51,156</u>	<u>(50,180)</u>	<u>32,054</u>
LIABILITIES				
Deposits Held for Others	\$ 31,078	51,156	(50,180)	32,054
Total Liabilities	<u>\$ 31,078</u>	<u>51,156</u>	<u>(50,180)</u>	<u>32,054</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Horizon Academy West’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Horizon Academy West does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Capital assets are recorded in the Statement of Net Position. Horizon Academy West utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5-7 years
Leasehold Improvements	10 years
Buildings and Improvements	40 years

Reporting Entity. Horizon Academy Foundation (the “Foundation”) is organized as a legally separate nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. The Foundation is reported as a blended component unit of Horizon Academy West in accordance with GASB Statement No. 80, Blending Requirements for Certain Component Units.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Reclass	June 30, 2017
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 164,000	-	-	164,000
<i>Total</i>	164,000	-	-	164,000
<i>Capital Assets being Depreciated:</i>				
Building and Improvements	5,174,123	6,660	-	5,180,783
Furniture, fixtures and equipment	11,077	-	-	11,077
<i>Total</i>	5,185,200	6,660	-	5,191,860
<i>Less: Accumulated Depreciation</i>				
Building and Improvements	(391,916)	(133,430)	-	(525,346)
Furniture, fixtures and equipment	(4,319)	(1,726)	-	(6,045)
<i>Total</i>	(396,235)	(135,156)	-	(531,391)
Capital Assets, Net	\$ 4,952,965	(128,496)	-	4,824,469

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$	5,004
Facilities, Materials, Supplies & Other Services		130,152
Total	\$	135,156

NOTE 3. COMMITMENTS AND LIABILITIES

Horizon Academy West leases equipment and facilities under long-term cancelable operating leases. Rental expenses for the year ended June 30, 2017 was \$546,745. Horizon Academy West's minimum future payments on these leases are as follows:

Year Ending June 30:		
2018	\$	518,158
2019		523,158
2020		522,931
2021		526,999
2022		526,870
2023- 2027		2,622,363
2028- 2032		2,620,017
2033- 2037		2,623,481
2038- 2042		2,623,848
2043- 2045		1,700,270
Total	\$	14,808,095

On October 1, 2012, Horizon Academy West, pursuant to a lease purchase agreement with Horizon Academy Foundation and indenture of trust, issued its Educational Facility Revenue Bonds Series 2012 in the aggregate principal amount of \$6,715,000. Bond proceeds were used to acquire, renovate and equip a 40,000 square foot charter school facility that will house classrooms from kindergarten through sixth grade. Furthermore, Horizon Academy West pledged, transferred, and granted a security interest in and assigned to Wells Fargo Bank, N.A. to secure the payment of lease payments in the form of a pledge and covenant agreement. In accordance with the terms and provisions of the lease, all funds, monies, grants, or other distributions received by the School from the State of New Mexico with respect to Equalization Guarantee funding, State Leasing or account established by the Horizon Academy West, but specifically excluding State funding under the Charter School Act which is specifically dedicated to the payment of expenses of the Charter School which do not include payment of amounts due under the Lease and all such operating expenses of the Horizon Academy West required under State or federal laws to provide required educational program expenditures. In June 2017 the School agreed to cancel the pledge and covenant agreement dated October 1, 2012 as described above and replace it with an escrow agreement. The School shall deposit into an escrow account established from advanced lease payments equal to three months of base rent (\$130,736). In addition, the School agrees to deposit every month during the term of the lease, all base rent and any additional rent due into the escrow account, on or before the twentieth day of each month, commencing July 2017. The deposit shall be held for the benefit of the Trustee in the event that the School does not deposit on or before the monthly disbursement date an amount equal to the rent payment then due to the Trustee.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES (CONTINUED)

The total bond payable as of June 30, 2017 is as follows:

Series 2012 Education Facility Revenue Bond; Interest rate 5.25% due in semi-annual installments; Maturing September 1, 2022	\$ 625,000
Series 2012 Education Facility Revenue Bond; Interest rate 6% due in semi-annual installments; Maturing September 1, 2045	<u>5,875,000</u>
Total Bond Payable	<u>\$ 6,500,000</u>

The aggregate amounts of principal maturities and interest of bonds payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 90,000	385,313	475,313
2019	95,000	380,588	475,588
2020	100,000	375,600	475,600
2021	105,000	370,350	475,350
2022	115,000	364,838	479,838
2023-2027	515,000	1,393,500	1,908,500
2028-2032	830,000	1,549,800	2,379,800
2033-2037	1,120,000	1,268,100	2,388,100
2038-2042	1,495,000	890,100	2,385,100
2043-2045	2,035,000	384,300	2,419,300
Total	<u>\$ 6,500,000</u>	<u>7,362,489</u>	<u>13,862,489</u>

The bonds payable balance at the beginning of the fiscal year was \$6,585,000. Reductions to the balance were \$85,000 which resulted in an ending balance of \$6,500,000. During fiscal year 2017, interest expense totaled \$387,544 and principal payments totaled \$85,000.

Horizon Academy West had a compensated absences balance of \$8,426 at the beginning of the fiscal year. Increases to the balance were \$1,418 which resulted in an ending balance of \$9,844. All of this balance is considered to be current.

NOTE 4. RELATED PARTY TRANSACTIONS

Horizon Academy West created a Foundation to construct a school. The Foundation is considered a component unit of Horizon Academy West and is presented as a blended component unit.

For the first part of the year, accounting services for the Foundation were performed by a related party. A member of the related party engagement team was an immediate family member of the School's business manager and prior Foundation Treasurer.

During the latter part of the year, accounting services for the Foundation were performed by another related party. The School's business manager and spouse are principals at the related party's firm.

During fiscal year 2017, accounting service fees totaled \$8,728.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Horizon Academy West and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Horizon Academy West paid employee and employer contributions of \$260,321 and \$250,044.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Horizon Academy West reported a liability of \$4,540,230 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Horizon Academy West’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Horizon Academy West’s proportion was 0.06309%, which was an increase of 0.00076% from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

For the year ended June 30, 2017, Horizon Academy West recognized pension expense of \$383,176. At June 30, 2017, Horizon Academy West reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,697	(43,184)
Changes in assumptions	92,421	-
Net difference between projected and actual earnings on pension plan investments	271,014	-
Changes in proportion and differences between Horizon Academy West’s contributions and proportionate share of contributions	68,521	(50,540)
Horizon Academy West’s contributions subsequent to the measurement date	<u>260,321</u>	<u>-</u>
Total	<u>\$ 711,974</u>	<u>(93,724)</u>

The amount of \$260,321 reported as deferred outflows of resources related to pensions resulting from Horizon Academy West contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 45,376
2019	108,202
2020	138,262
2021	<u>66,089</u>
Total	<u>\$ 357,929</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Notes to the Financial Statements
June 30, 2017

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of Horizon Academy West's proportionate share of the net pension liability to changes in the discount rate. The following presents the Horizon Academy West proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what Horizon Academy West'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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
The School's proportionate share of the net pension liability	\$ 6,013,429	4,540,230	3,317,891

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Horizon Academy West owed \$68,779 to ERB for fiscal year 2017 contributions.

NOTE 6. Schedule of Budgetary Comparisons

A budget was not prepared for Fund 61000 (CREW), therefore this fund is not included in the Schedule of Budgetary Comparisons – Budgetary Basis.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	Fiscal Year	30-Jun		
		2017	2016	2015
	Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)		0.06309%	0.06233%	0.06127%
School's Proportionate Share of Net Pension Liability (Asset)	\$	4,540	4,037	3,496
School's Covered-Employee Payroll	\$	1,729	1,702	1,689
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	237.24%	206.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Horizon Academy West is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 240	250	260
Contributions in Relation to the Contractually Required Contribution	240	250	260
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Horizon Academy West is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 2,709,438	2,715,662	2,715,663	1
Miscellaneous	-	-	200	200
Total Revenues	2,709,438	2,715,662	2,715,863	201
EXPENDITURES				
Current:				
Instruction	2,044,297	1,920,887	1,819,276	101,611
Support Services:				
Students	192,930	161,827	142,713	19,114
Instruction	11,452	46,462	39,551	6,911
General Administration	29,213	91,300	58,297	33,003
School Administration	349,744	298,033	292,187	5,846
Central Services	175,919	203,087	204,521	(1,434)
Operation & Maintenance of Plant	332,763	503,704	438,395	65,309
Total Expenditures	3,136,318	3,225,300	2,994,940	230,360
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(426,880)</i>	<i>(509,638)</i>	<i>(279,077)</i>	<i>230,561</i>
Other Financing Sources (Uses):				
Designated Cash	426,880	509,638	-	(509,638)
Total Other Financing Sources (Uses):	426,880	509,638	-	(509,638)
Net Changes in Fund Balances	-	-	(279,077)	(279,077)
Cash or Fund Balances - Beginning of Year	-	-	509,638	509,638
Cash or Fund Balances - End of Year	\$ -	-	230,561	230,561
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ (279,077)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (279,077)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 24,031	21,033	27,954	6,921
Total Revenues	<u>24,031</u>	<u>21,033</u>	<u>27,954</u>	<u>6,921</u>
EXPENDITURES				
Current:				
Instruction	24,031	22,644	22,644	-
Total Expenditures	<u>24,031</u>	<u>22,644</u>	<u>22,644</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(1,611)</u>	<u>5,310</u>	<u>6,921</u>
Other Financing Sources (Uses):				
Designated Cash	-	1,611	-	(1,611)
Total Other Financing Sources (Uses):	<u>-</u>	<u>1,611</u>	<u>-</u>	<u>(1,611)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>5,310</u>	<u>5,310</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,611</u>	<u>1,611</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>6,921</u>	<u>6,921</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 5,310	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 5,310</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 255,000	255,000	250,147	(4,853)
Charges for Services	26,000	26,000	28,176	2,176
Total Revenues	<u>281,000</u>	<u>281,000</u>	<u>278,323</u>	<u>(2,677)</u>
EXPENDITURES				
Current:				
Food Services Operations	386,000	386,862	275,890	110,972
Total Expenditures	<u>386,000</u>	<u>386,862</u>	<u>275,890</u>	<u>110,972</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(105,000)</u>	<u>(105,862)</u>	<u>2,433</u>	<u>108,295</u>
Other Financing Sources (Uses):				
Designated Cash	105,000	105,862	-	(105,862)
Total Other Financing Sources (Uses):	<u>105,000</u>	<u>105,862</u>	<u>-</u>	<u>(105,862)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,433</u>	<u>2,433</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>105,863</u>	<u>105,863</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>108,296</u>	<u>108,296</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,433	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 2,433</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 133,123	130,020	165,659	35,639
Total Revenues	<u>133,123</u>	<u>130,020</u>	<u>165,659</u>	<u>35,639</u>
EXPENDITURES				
Current:				
Instruction	25,922	22,819	21,612	1,207
Support Services:				
Students	80,779	80,925	79,717	1,208
Instruction	26,422	26,276	25,731	545
Total Expenditures	<u>133,123</u>	<u>130,020</u>	<u>127,060</u>	<u>2,960</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	38,599	38,599
Net Changes in Fund Balances	-	-	38,599	38,599
Cash or Fund Balances - Beginning of Year	-	-	(62,625)	(62,625)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(24,026)</u>	<u>(24,026)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 38,599	
Adjustments to Revenues			(38,599)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 88,537	164,546	80,700	(83,846)
Total Revenues	<u>88,537</u>	<u>164,546</u>	<u>80,700</u>	<u>(83,846)</u>
EXPENDITURES				
Current:				
Instruction	81,948	128,383	102,938	25,445
Support Services:				
Students	6,589	36,163	11,248	24,915
Total Expenditures	<u>88,537</u>	<u>164,546</u>	<u>114,186</u>	<u>50,360</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(33,486)</u>	<u>(33,486)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(33,486)</u>	<u>(33,486)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(12,559)</u>	<u>(12,559)</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(46,045)</u>	<u>(46,045)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (33,486)	
Adjustments to Revenues			33,486	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Preschool IDEA-B 24109
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	2,893	-	(2,893)
Total Revenues	<u>-</u>	<u>2,893</u>	<u>-</u>	<u>(2,893)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	2,893	2,576	317
Total expenditures	<u>-</u>	<u>2,893</u>	<u>2,576</u>	<u>317</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,576)</u>	<u>(2,576)</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,576)</u>	<u>(2,576)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,576)</u>	<u>(2,576)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (2,576)	
Adjustments to Revenues			2,576	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 22,866	35,660	33,262	(2,398)
Total Revenues	<u>22,866</u>	<u>35,660</u>	<u>33,262</u>	<u>(2,398)</u>
EXPENDITURES				
Current:				
Instruction	22,866	35,660	22,041	13,619
Total expenditures	<u>22,866</u>	<u>35,660</u>	<u>22,041</u>	<u>13,619</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	11,221	11,221
Net changes in Fund Balances	-	-	11,221	11,221
Cash or Fund Balances - Beginning of Year	-	-	(11,698)	(11,698)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(477)</u>	<u>(477)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 11,221	
Adjustments to Revenues			(11,221)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Pre-K Initiative 27149
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 128,248	128,248	130,541	2,293
Total Revenues	<u>128,248</u>	<u>128,248</u>	<u>130,541</u>	<u>2,293</u>
EXPENDITURES				
Current:				
Instruction	95,529	105,656	102,341	3,315
Support Services:				
Students	10,015	10,015	9,504	511
School Administration	21,504	12,577	12,364	213
Operation & Maintenance of Plant	1,200	-	-	-
Total Expenditures	<u>128,248</u>	<u>128,248</u>	<u>124,209</u>	<u>4,039</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	6,332	6,332
Net Changes in Fund Balances	-	-	6,332	6,332
Cash or Fund Balances - Beginning of Year	-	-	(18,174)	(18,174)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,842)</u>	<u>(11,842)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 6,332	
Adjustments to Revenues			(6,332)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	322,109	405,674	83,565
Total Revenues	<u>-</u>	<u>322,109</u>	<u>405,674</u>	<u>83,565</u>
EXPENDITURES				
Capital Outlay	-	322,109	322,109	-
Total Expenditures	<u>-</u>	<u>322,109</u>	<u>322,109</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	83,565	83,565
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>83,565</u>	<u>83,565</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(83,565)</u>	<u>(83,565)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 83,565	
Adjustments to Revenues			(83,565)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Property Taxes	\$ 130,000	130,000	250,702	120,702
Total Revenues	<u>130,000</u>	<u>130,000</u>	<u>250,702</u>	<u>120,702</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	1,300	2,600	2,507	93
Capital Outlay	128,700	127,400	-	127,400
Total Expenditures	<u>130,000</u>	<u>130,000</u>	<u>2,507</u>	<u>127,493</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	248,195	248,195
Net Changes in Fund Balances	-	-	248,195	248,195
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>248,195</u>	<u>248,195</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 248,195	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 248,195</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	10,839	12,457	1,618
Total Revenues	<u>-</u>	<u>10,839</u>	<u>12,457</u>	<u>1,618</u>
EXPENDITURES				
Capital Outlay	-	10,839	10,839	-
Total Expenditures	<u>-</u>	<u>10,839</u>	<u>10,839</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>1,618</u>	<u>1,618</u>
Other Financing Sources (Uses):				
Cash Transfers	-	-	(382,955)	(382,955)
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>(382,955)</u>	<u>(382,955)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(381,337)</u>	<u>(381,337)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>370,498</u>	<u>370,498</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(10,839)</u>	<u>(10,839)</u>
Reconciliation to GAAP Basis:				
<i>Net Changes in Fund Balances</i>			\$ (381,337)	
Adjustments to Revenues			(1,618)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (382,955)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 134,382	134,382	149,414	15,032
Total Revenues	<u>134,382</u>	<u>134,382</u>	<u>149,414</u>	<u>15,032</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	1,370	2,740	1,494	1,246
Capital Outlay	495,507	514,597	186,730	327,867
Total Expenditures	<u>496,877</u>	<u>517,337</u>	<u>188,224</u>	<u>329,113</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(362,495)</u>	<u>(382,955)</u>	<u>(38,810)</u>	<u>344,145</u>
Other Financing Sources (Uses):				
Cash Transfers	362,495	382,955	382,955	-
Total Other Financing Sources (Uses):	<u>362,495</u>	<u>382,955</u>	<u>382,955</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>344,145</u>	<u>344,145</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>344,145</u>	<u>344,145</u>
Reconciliation to GAAP Basis:				
<i>Net Changes in Fund Balances</i>			\$ 344,145	
Adjustments to Revenues			-	
Adjustments to Expenditures			130,736	
NET CHANGE IN FUND BALANCE			<u>\$ 474,881</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
New Mexico Bank & Trust	REV BDS	16415STAUS	8/1/2031	\$ 226,258
New Mexico Bank & Trust	GO REF SCH BDS	488764XF3	2/1/2035	607,091
New Mexico Bank & Trust	GO REF SCH BDS	488764XF3	2/1/2035	157,870
				<u>\$ 991,219</u>
Total Cash in Bank for the School per Schedule of Cash Accounts:				\$ 1,143,176
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				893,176
Collateral Requirement:				446,588
Pledged Collateral Held by Pledging Financial Institution:				<u>991,219</u>
Balance Over Collateralized:				<u>\$ 544,631</u>
School Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Cash Accounts
June 30, 2017**

Bank Account Type	NM Bank & Trust	Wells Fargo	Total
Checking - Operational Account	\$ 1,111,122	\$ -	\$ 1,111,122
Checking - Activity Account	32,054	-	32,054
Checking - Foundation	16,370	-	16,370
Reserve Fund	-	480,173	480,173
Bond Interest Fund	-	128,852	128,852
Bond Revenue Fund	-	134,731	134,731
Bond Principal Fund	-	75,058	75,058
Capital Reserve Account	-	156,877	156,877
	1,159,546	975,691	2,135,237
Total on Deposit			
Reconciling Items	(19,970)	-	(19,970)
	1,139,576	975,691	2,115,267
Reconciled Balance June 30, 2017			
Less Agency Funds	(32,054)	-	(32,054)
	\$ 1,107,522	\$ 975,691	\$ 2,083,213
Total Cash	\$ 1,107,522	\$ 975,691	\$ 2,083,213

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000
Cash, June 30, 2016	\$ 588,708	1,611	105,863	31,078
Add:				
2016-17 revenues	<u>2,715,863</u>	<u>27,954</u>	<u>278,323</u>	<u>51,156</u>
Total Cash Available	3,304,571	29,565	384,186	82,234
Less:				
2016-17 expenditures	(2,994,940)	(22,644)	(275,890)	(50,180)
Receivables/Payables	215,981	-	-	-
Cash transfers	-	-	-	-
Outstanding Loans	<u>(64,776)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>460,836</u>	<u>6,921</u>	<u>108,296</u>	<u>32,054</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(79,070)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Per Books	<u>381,766</u>	<u>6,921</u>	<u>108,296</u>	<u>32,054</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(151,205)</u>	<u>-</u>	<u>-</u>	<u>(32,054)</u>
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 230,561</u>	<u>6,921</u>	<u>108,296</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	State Account 27000	Public School Capital Outlay 31200	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	Capital Improvements SB-9 Local 31701	Total
-	-	-	-	370,498	-	1,097,758
279,714	150,066	405,674	250,702	12,457	149,414	4,321,323
279,714	150,066	405,674	250,702	382,955	149,414	5,419,081
(265,863)	(124,209)	(322,109)	(2,507)	(10,839)	(188,224)	(4,257,405)
22,786	8,243	-	-	-	-	247,010
-	-	-	-	(382,955)	382,955	-
50,338	3,599	-	-	10,839	-	-
86,975	37,699	83,565	248,195	-	344,145	1,408,686
(86,975)	(37,699)	(83,565)	-	-	-	(287,309)
-	-	-	248,195	-	344,145	1,121,377
					Less - Agency Fund:	(32,054)
					Balance Sheet-CREW:	1,830
					Balance Sheet-Foundation:	16,369
						<u>\$ 1,107,522</u>
-	-	-	-	-	130,736	(52,523)
-	-	-	248,195	-	474,881	1,068,854
					Add: CREW:	1,761
					Add: Foundation:	857,572
						<u>\$ 1,928,187</u>

INTERNATIONAL SCHOOL AT MESA DEL SOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 899,001
Receivables	
Due from Other Governments	40,648
Total Current Assets	<u>939,649</u>

Noncurrent Assets:

Capital Assets	
Building and Improvements	117,836
Furniture, Fixtures, and Equipment	115,311
Less: Accumulated Depreciation	(80,390)
Total Noncurrent Assets	<u>152,757</u>

Total Assets	<u>1,092,406</u>
---------------------	------------------

Deferred Outflows - Pension Related

<u>1,060,233</u>

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accrued Liabilities	172,290
Compensated Absences	15,911
Total Current Liabilities	<u>188,201</u>

Noncurrent Liabilities:

Net Pension Liability	3,360,734
Total Noncurrent Liabilities	<u>3,360,734</u>

Total Liabilities	<u>3,548,935</u>
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Deferred Inflows - Pension Related

<u>241,484</u>

NET POSITION (DEFICIT)

Net Investment in Capital Assets	152,757
Restricted	361,194
Unrestricted (Deficit)	(2,151,731)
Total Net Position (Deficit)	<u>\$ (1,637,780)</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Program Revenues	Net (Expense) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,825,470	75	197,887	-	(1,627,508)
Support Services:					
Students	221,994	-	-	-	(221,994)
Instruction	53,817	-	-	-	(53,817)
General Administration	37,380	-	-	-	(37,380)
School Administration	393,298	-	-	-	(393,298)
Central Services	123,533	-	-	-	(123,533)
Operation & Maintenance of Plant	144,382	-	-	-	(144,382)
Community Services Operations	6,123	-	-	-	(6,123)
Other Support Services	789	1,099	-	-	310
Student Transportation	106,632	-	106,513	-	(119)
Food Services	88,973	28,216	59,506	-	(1,251)
Facilities Materials, Supplies & Other Services	275,916	-	-	193,237	(82,679)
Total Governmental Activities	\$ 3,278,307	29,390	363,906	193,237	(2,691,774)
General Revenues:					
Property Taxes					\$ 254,087
State Equalization Guarantee					2,191,238
Total General Revenues					<u>2,445,325</u>
Change in Net Position					(246,449)
Net Position (Deficit) - Beginning					<u>(1,391,331)</u>
Net Position (Deficit), Ending					<u>\$ (1,637,780)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
ASSETS			
Cash and Cash Equivalents	\$ 537,807	-	35,897
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	38,198	-	-
Total Assets	576,005	-	35,897
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Expenditures	163,975	-	-
Due to Other Funds	-	-	-
Total Liabilities	163,975	-	-
Fund Balances (Deficit)			
Fund Balance:			
Restricted for:			
Instruction	-	-	35,897
Food Service Operations	-	-	-
Capital Improvements	-	-	-
Unassigned	412,030	-	-
Total Fund Balance (Deficit)	412,030	-	35,897
Total Liabilities and Fund Balances	\$ 576,005	-	35,897

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

Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title XIX Medicaid 25153
21,733	-	-	-	10,468
-	5,686	9,471	-	-
-	-	-	-	-
<u>21,733</u>	<u>5,686</u>	<u>9,471</u>	<u>-</u>	<u>10,468</u>
-	676	-	-	-
-	3,911	9,471	-	-
-	4,587	9,471	-	-
-	-	-	-	10,468
21,733	-	-	-	-
-	-	-	-	-
-	1,099	-	-	-
<u>21,733</u>	<u>1,099</u>	<u>-</u>	<u>-</u>	<u>10,468</u>
<u>21,733</u>	<u>5,686</u>	<u>9,471</u>	<u>-</u>	<u>10,468</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Balance Sheets - Governmental Funds - (Continued)
June 30, 2017

	Elementary & Middle School Initiative 26177	New Mexico Reads 27114	Private Dir Grants (Categorical) 29102
ASSETS			
Cash and Cash Equivalents	\$ -	-	3,401
Accounts Receivable			
Due from Government	-	18,903	-
Due from Other Funds	-	-	-
Total Assets	-	18,903	3,401
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Expenditures	42	7,597	-
Due to Other Funds	6,922	11,306	-
Total Liabilities	6,964	18,903	-
Fund Balances (Deficit)			
Fund Balance:			
Restricted for:			
Instruction	-	-	3,401
Food Service Operations	-	-	-
Capital Improvements	-	-	-
Unassigned	(6,964)	-	-
Total Fund Balance (Deficit)	(6,964)	-	3,401
Total Liabilities and Fund Balances	\$ -	18,903	3,401

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

Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
-	162,933	-	126,762	899,001
-	-	6,588	-	40,648
-	-	-	-	38,198
-	162,933	6,588	126,762	977,847
-	-	-	-	172,290
-	-	6,588	-	38,198
-	-	6,588	-	210,488
-	-	-	-	49,766
-	-	-	-	21,733
-	162,933	-	126,762	289,695
-	-	-	-	406,165
-	162,933	-	126,762	767,359
-	162,933	6,588	126,762	977,847

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Reconciliation of the Balance Sheets of Governmental
Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 767,359**

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

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

Capital Assets	233,147	
Accumulated Depreciation	(80,390)	
	152,757	152,757

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds. 1,060,233

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.
Compensated absences (15,911)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds. (241,484)

The net pension liability is not due and payable in the current period, and, therefore, is not reported in the funds. (3,360,734)

Net Position (Deficit) - Total Governmental Activities **\$ (1,637,780)**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	6,005	-	-
State Grant	2,191,238	106,513	19,752
Federal Grant	-	-	-
Charges for Services	75	-	-
Total Revenues	2,197,318	106,513	19,752
EXPENDITURES			
Current:			
Instruction	1,443,246	-	14,121
Support Services:			
Students	187,692	-	-
Instruction	53,817	-	-
General Administration	34,558	-	-
School Administration	334,318	-	-
Central Services	123,533	-	-
Operation & Maintenance of Plant	141,361	-	-
Student Transportation	119	106,513	-
Other Support Services Operations	789	-	-
Food Services Operations	-	-	-
Community Services Operation	-	-	-
Capital Outlay	-	-	-
Total Expenditures	2,319,433	106,513	14,121
<i>Excess (Deficiency) of Revenues</i>			
<i>Over (Under) Expenditures</i>	(122,115)	-	5,631
OTHER FINANCING SOURCES (USES):			
Transfer in	-	-	-
Transfer out	-	-	-
Total other financing sources (uses)	-	-	-
Net Changes in Fund Balances	(122,115)	-	5,631
Fund Balances (Deficit) - Beginning of Year	534,145	-	30,266
Fund Balances (Deficit) - End of Year	\$ 412,030	-	35,897

Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title XIX Medicaid 25153
-	-	-	-	-
42	-	-	-	-
-	-	-	-	-
59,464	39,499	21,994	3,395	2,952
28,216	1,099	-	-	-
87,722	40,598	21,994	3,395	2,952
-	23,502	2,000	3,395	-
-	15,997	19,994	-	285
-	-	-	-	-
-	-	-	-	284
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
85,749	-	-	-	-
-	-	-	-	-
-	-	-	-	-
85,749	39,499	21,994	3,395	569
1,973	1,099	-	-	2,383
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,973	1,099	-	-	2,383
19,760	-	-	-	8,085
21,733	1,099	-	-	10,468

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - Continued
Governmental Funds
For The Year Ended June 30, 2017

	Elementary & Middle School Initiative 26177	New Mexico Reads 27114	Private Dir Grants (Categorical) 29102
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	-	-	9,295
State Grant	-	88,407	-
Federal Grant	-	-	-
Charges for Services	-	-	-
Total Revenues	-	88,407	9,295
EXPENDITURES			
Current:			
Instruction	-	88,407	16,639
Support Services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	12,310
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services Operations	-	-	-
Food Services Operations	-	-	-
Community Services Operation	6,964	-	-
Capital Outlay	-	-	-
Total Expenditures	6,964	88,407	28,949
<i>Excess (Deficiency) of Revenues</i>			
<i>Over (Under) Expenditures</i>	(6,964)	-	(19,654)
OTHER FINANCING SOURCES (USES):			
Transfer in	-	-	-
Transfer out	-	-	-
Total other financing sources (uses)	-	-	-
Net Changes in Fund Balances	(6,964)	-	(19,654)
Fund Balances (Deficit) - Beginning of Year	-	-	23,055
Fund Balances (Deficit) - End of Year	\$ (6,964)	-	3,401

Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
-	164,577	-	89,510	254,087
-	-	-	-	15,342
193,237	-	6,588	-	2,605,735
-	-	-	-	127,304
-	-	-	-	29,390
193,237	164,577	6,588	89,510	3,031,858
-	-	-	-	1,591,310
-	-	-	-	223,968
-	-	-	-	53,817
-	1,644	-	894	37,380
-	-	-	-	346,628
-	-	-	-	123,533
-	-	-	-	141,361
-	-	-	-	106,632
-	-	-	-	789
-	-	-	-	85,749
-	-	-	-	6,964
193,237	-	6,588	74,114	273,939
193,237	1,644	6,588	75,008	2,992,070
-	162,933	-	14,502	39,788
-	-	-	112,260	112,260
-	-	(112,260)	-	(112,260)
-	-	(112,260)	112,260	-
-	162,933	(112,260)	126,762	39,788
-	-	112,260	-	727,571
-	162,933	-	126,762	767,359

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance-Total Governmental Funds	\$ 39,788
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
Change in Compensated Absences	(7,077)
<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 capital outlay exceeds depreciation for the period</p>	
Depreciation Expense	(8,708)
Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability	(270,452)
Change in Net Position-Total Governmental Activities	<u>\$ (246,449)</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	Agency Funds
	<hr/>
ASSETS	
Cash in Bank	\$ 8,100
Total Assets	<hr/> 8,100 <hr/>
LIABILITIES	
Deposits Held for Others	8,100
Total Liabilities	<hr/> \$ 8,100 <hr/>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 8,098	14,081	14,079	8,100
Total Assets	<u>8,098</u>	<u>14,081</u>	<u>14,079</u>	<u>8,100</u>
LIABILITIES				
Deposits Held for Others	8,098	14,081	14,079	8,100
Total Liabilities	<u>\$ 8,098</u>	<u>14,081</u>	<u>14,079</u>	<u>8,100</u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. International School at Mesa Del Sol's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. International School at Mesa Del Sol does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. International School at Mesa Del Sol utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for International School at Mesa Del Sol are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 115,311	-	-	115,311
Building and Improvements	117,836	-	-	117,836
<i>Total</i>	<u>233,147</u>	<u>-</u>	<u>-</u>	<u>233,147</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(50,533)	(5,687)	-	(56,220)
Building and improvements	(21,149)	(3,021)	-	(24,170)
<i>Total</i>	<u>(71,682)</u>	<u>(8,708)</u>	<u>-</u>	<u>(80,390)</u>
Capital Assets, Net	<u>\$ 161,465</u>	<u>(8,708)</u>	<u>-</u>	<u>152,757</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$	2,463
Facilities, Materials, Supplies & Other Services		3,021
Food Service		3,224
Total	\$	8,708

NOTE 3. COMMITMENTS AND CONTINGENCIES

The International School at Mesa Del Sol leased equipment and facilities under long-term cancelable operating leases. Rental expenses for the year ended June 30, 2017 was \$193,237. The International School at Mesa Del Sol minimum future payments on this lease are as follow:

Year Ending June 30:		
2018	\$	<u>685</u>
Total minimum lease payments	\$	<u>685</u>

The International School at Mesa Del Sol had a compensated absences balance of \$15,911 at the end of the fiscal year. All of this balance is considered to be current.

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to the International School at Mesa Del Sol and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, the International School at Mesa Del Sol paid employee and employer contributions of \$215,607 and \$185,400.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, the International School at Mesa Del Sol reported a liability of \$3,360,734 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

The International School at Mesa Del Sol's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, the International School at Mesa Del Sol's proportion was 0.04670%, which was an increase of 0.00947 from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

For the year ended June 30, 2017, the International School at Mesa Del Sol recognized pension expense of \$486,887. At June 30, 2017, the International School at Mesa Del Sol reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,580	31,965
Changes in assumptions	68,410	-
Net difference between projected and actual earnings on pension plan investments	200,608	-
Changes in proportion	561,028	209,519
International School at Mesa Del Sol contributions subsequent to the measurement date	<u>215,607</u>	<u>-</u>
Total	<u>\$ 1,060,233</u>	<u>241,484</u>

The amount of \$215,607 reported as deferred outflows of resources related to pensions resulting from the International School at Mesa Del Sol's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	215,998
2019		119,379
2020		218,846
2021		<u>48,919</u>
Total	\$	<u>603,142</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 The International School at Mesa Del Sol
 Notes to the Financial Statements
 June 30, 2017

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of the International School at Mesa Del Sol's proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the (employer's) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The International School at Mesa Del Sol's proportionate share of the net pension liability	\$ 4,451,215	3,360,734	2,455,944

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

NOTE 5. DEFICIT FUND BALANCE

At June 30, 2017, the Elementary and Middle School Initiative Fund had a deficit fund balance of \$6,964. This deficit will be eliminated as revenue is expected to exceed expenditures in the next fiscal year.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

Fiscal Year Measurement Date	30-Jun		
	2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)	0.05%	0.04%	0.04%
School's Proportionate Share of Net Pension Liability (Asset)	\$ 3,361	2,411	2,511
School's Covered-Employee Payroll	\$ 1,280	1,016	1,213
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	262.58%	237.23%	206.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for The International School at Mesa Del Sol is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	\$ 160	185	216
Contributions in Relation to the Contractually Required Contribution	<u>160</u>	<u>185</u>	<u>216</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for The International School at Mesa Del Sol is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	6,005	6,005
State Grant	2,591,248	2,191,238	2,191,238	-
Charges for Services	-	-	75	75
Total Revenues	2,591,248	2,191,238	2,197,318	6,080
EXPENDITURES				
Current:				
Instruction	2,310,405	1,738,985	1,443,246	295,739
Support Services:				
Students	83,425	231,196	187,692	43,504
Instruction	58,093	65,098	53,817	11,281
General Administration	47,050	59,150	34,558	24,592
School Administration	278,197	322,094	334,318	(12,224)
Central Services	147,036	144,602	123,533	21,069
Operation & Maintenance of Plant	122,042	159,012	141,361	17,651
Student Transportation	-	218	119	99
Other Support Services Operations	-	813	789	24
Food Services Operations	-	4,214	-	4,214
Total Expenditures	3,046,248	2,725,382	2,319,433	405,949
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(455,000)	(534,144)	(122,115)	412,029
Other Financing Sources (Uses):				
Designated Cash	455,000	534,144	-	(534,144)
Total Other Financing Sources (Uses):	455,000	534,144	-	(534,144)
Net Changes in Fund Balances	-	-	(122,115)	(122,115)
Cash or Fund Balances - Beginning of Year	-	-	534,145	534,145
Cash or Fund Balances - End of Year	\$ -	-	412,030	412,030
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (122,115)	
NET CHANGE IN FUND BALANCE			\$ (122,115)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 106,513	106,513	106,513	-
Total Revenues	106,513	106,513	106,513	-
EXPENDITURES				
Current:				
Student Transportation	106,513	106,513	106,513	-
Total Expenditures	106,513	106,513	106,513	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 15,225	4,799	19,752	14,953
Total Revenues	15,225	4,799	19,752	14,953
EXPENDITURES				
Current:				
Instruction	41,225	35,065	14,121	20,944
Total Expenditures	41,225	35,065	14,121	20,944
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(26,000)	(30,266)	5,631	35,897
Other Financing Sources (Uses):				
Designated Cash	26,000	30,266	-	(30,266)
Total Other Financing Sources (Uses):	26,000	30,266	-	(30,266)
Net Changes in Fund Balances	-	-	5,631	5,631
Cash or Fund Balances - Beginning of Year	-	-	30,266	30,266
Cash or Fund Balances - End of Year	\$ -	-	35,897	35,897
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 5,631	
NET CHANGE IN FUND BALANCE			\$ 5,631	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	42	42
Federal Grant	48,000	48,000	59,464	11,464
Charges for Services	15,250	24,039	28,216	4,177
Total Revenues	63,250	72,039	87,722	15,683
EXPENDITURES				
Current:				
Food Services Operations	68,000	91,799	85,749	6,050
Total Expenditures	68,000	91,799	85,749	6,050
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(4,750)	(19,760)	1,973	21,733
Other Financing Sources (Uses):				
Designated Cash	4,750	19,760	-	(19,760)
Total Other Financing Sources (Uses):	4,750	19,760	-	(19,760)
Net Changes in Fund Balances	-	-	1,973	1,973
Cash or Fund Balances - Beginning of Year	-	-	19,760	19,760
Cash or Fund Balances - End of Year	\$ -	-	21,733	21,733
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 1,973	
NET CHANGE IN FUND BALANCE			\$ 1,973	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 53,365	89,866	55,260	(34,606)
Total Revenues	53,365	89,866	56,359	(33,507)
EXPENDITURES				
Current:				
Instruction	25,090	72,864	23,502	49,362
Support Services:				
Students	24,455	17,002	15,997	1,005
General Administration	3,820	-	-	-
Total Expenditures	53,365	89,866	39,499	50,367
Net Changes in Fund Balances	-	-	16,860	16,860
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	16,860	16,860
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 16,860	
<i>Adjustments to Revenues</i>			(15,761)	
NET CHANGE IN FUND BALANCE			\$ 1,099	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 28,738	66,283	23,936	(42,347)
Total Revenues	28,738	66,283	23,936	(42,347)
EXPENDITURES				
Current:				
Instruction	-	36,795	2,000	34,795
Support Services:				
Students	26,522	27,272	19,994	7,278
General Administration	2,216	2,216	-	2,216
Total Expenditures	28,738	66,283	21,994	44,289
Net Changes in Fund Balances	-	-	1,942	1,942
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	1,942	1,942
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 1,942	
Adjustments to Revenues			(1,942)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 8,981	22,358	4,929	(17,429)
Total Revenues	8,981	22,358	4,929	(17,429)
EXPENDITURES				
Current:				
Instruction	8,981	22,358	3,395	18,963
Total expenditures	8,981	22,358	3,395	18,963
Net changes in Fund Balances	-	-	1,534	1,534
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	1,534	1,534
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 1,534	
<i>Adjustments to Revenues</i>			(1,534)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 25153
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 4,000	4,000	2,952	(1,048)
Total Revenues	4,000	4,000	2,952	(1,048)
EXPENDITURES				
Current:				
Support Services:				
Students	6,250	7,085	285	6,800
General Administration	5,000	5,000	284	4,716
Total Expenditures	11,250	12,085	569	11,516
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(7,250)	(8,085)	2,383	10,468
Other Financing Sources (Uses):				
Designated Cash	7,250	8,085	-	(8,085)
Total Other Financing Sources (Uses):	7,250	8,085	-	(8,085)
Net Changes in Fund Balances				
	-	-	2,383	2,383
Cash or Fund Balances - Beginning of Year				
	-	-	8,085	8,085
Cash or Fund Balances - End of Year				
	\$ -	-	10,468	10,468
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 2,383	
NET CHANGE IN FUND BALANCE			\$ 2,383	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
Elementary & Middle School Initiative 26177
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Community Services Operation	-	9,995	6,964	3,031
Total Expenditures	-	9,995	6,964	3,031
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(9,995)	(6,964)	3,031
Other Financing Sources (Uses):				
Designated Cash	-	9,995	-	(9,995)
Total Other Financing Sources (Uses):	-	9,995	-	(9,995)
Net Changes in Fund Balances	-	-	(6,964)	(6,964)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(6,964)	(6,964)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (6,964)	
NET CHANGE IN FUND BALANCE			\$ (6,964)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Reads 27114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	88,833	83,168	(5,665)
Total Revenues	-	88,833	83,168	(5,665)
EXPENDITURES				
Current:				
Instruction	-	88,833	88,407	426
Total Expenditures	-	88,833	88,407	426
Net Changes in Fund Balances	-	-	(5,239)	(5,239)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(5,239)	(5,239)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (5,239)	
<i>Adjustments to Revenues</i>			5,239	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
Private Dir Grants (Categorical) 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ 11,000	11,000	9,295	(1,705)
Total Revenues	11,000	11,000	9,295	(1,705)
EXPENDITURES				
Current:				
Instruction	-	16,639	16,639	-
Support Services:				
Students	5,000	925	-	925
School Administration	23,000	16,491	12,310	4,181
Total Expenditures	28,000	34,055	28,949	5,106
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<i>(17,000)</i>	<i>(23,055)</i>	<i>(19,654)</i>	<i>3,401</i>
Other Financing Sources (Uses):				
Designated Cash	17,000	23,055	-	(23,055)
Total Other Financing Sources (Uses):	17,000	23,055	-	(23,055)
Net Changes in Fund Balances	-	-	(19,654)	(19,654)
Cash or Fund Balances - Beginning of Year	-	-	23,055	23,055
Cash or Fund Balances - End of Year	\$ -	-	3,401	3,401
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (19,654)	
NET CHANGE IN FUND BALANCE			\$ (19,654)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	193,237	233,823	40,586
Total Revenues	-	193,237	233,823	40,586
EXPENDITURES				
Current:				
Capital Outlay	-	193,237	193,237	-
Total Expenditures	-	193,237	193,237	-
Net Changes in Fund Balances	-	-	40,586	40,586
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	40,586	40,586
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 40,586	
<i>Adjustments to Revenues</i>			(40,586)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	170,647	164,577	(6,070)
Total Revenues	-	170,647	164,577	(6,070)
EXPENDITURES				
Current:				
Support Services:				
General Administration	-	1,710	1,644	66
Capital Outlay	-	168,937	-	168,937
Total Expenditures	-	170,647	1,644	169,003
Net Changes in Fund Balances	-	-	162,933	162,933
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	162,933	162,933
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 162,933	
NET CHANGE IN FUND BALANCE			\$ 162,933	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 6,588	13,678	-	(13,678)
Total Revenues	6,588	13,678	-	(13,678)
EXPENDITURES				
Capital Outlay	6,588	13,678	6,588	7,090
Total Expenditures	6,588	13,678	6,588	7,090
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(6,588)	(6,588)
Other Financing Sources (Uses):				
Transfers	-	-	(112,260)	(112,260)
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	-	-	(112,260)	(112,260)
Net Changes in Fund Balances	-	-	(118,848)	(118,848)
Cash or Fund Balances - Beginning of Year	-	-	112,260	112,260
Cash or Fund Balances - End of Year	\$ -	-	(6,588)	(6,588)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (6,588)	
<i>Adjustments to Revenues</i>			6,588	
NET CHANGE IN FUND BALANCE			\$ (112,260)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 85,516	85,516	89,510	3,994
Total Revenues	<u>85,516</u>	<u>85,516</u>	<u>89,510</u>	<u>3,994</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	-	1,000	894	106
Capital Outlay	182,677	196,776	74,114	122,662
Total Expenditures	<u>182,677</u>	<u>197,776</u>	<u>75,008</u>	<u>122,768</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(97,161)</u>	<u>(112,260)</u>	<u>14,502</u>	<u>126,762</u>
Other Financing Sources (Uses):				
Transfers	-	-	112,260	112,260
Designated Cash	97,161	112,260	-	(112,260)
Total Other Financing Sources (Uses):	<u>97,161</u>	<u>112,260</u>	<u>112,260</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>126,762</u>	<u>126,762</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>126,762</u>	<u>126,762</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 14,502	
<i>Adjustments to Revenues</i>			-	
NET CHANGE IN FUND BALANCE			<u>\$ 126,762</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Suntrust- NM Bank & Trust	Lindsay CA Sch Dist Bond	535545CB1	8/1/2031	\$ 474,282
				<u>\$ 474,282</u>
			Total Cash per Schedule of Cash Accounts:	\$ 1,014,027
			Less: FDIC coverage:	(250,000)
			Uninsured Public Funds:	<u>764,027</u>
			Collateral Requirement:	382,014
			Pledged Collateral Held by Pledging Financial Institution:	<u>474,282</u>
			Balance Over Collateralized:	<u>\$ 92,268</u>
			Balance Uninsured and Uncollateralized at June 30, 2017:	<u>\$ 289,745</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	New Mexico Bank & Trust
Checking - Operational Account	\$ 1,014,027
<i>Total on Deposit</i>	1,014,027
Reconciling Items	(106,963)
Reconciled Balance June 30, 2017	907,064
Less Agency Funds	(8,100)
Plus Petty Cash	37
<i>Total Cash</i>	\$ 899,001

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Cash Reconciliation
June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
Cash, June 30, 2016	\$ 645,221	19,564	30,266
Add:			
2016-17 revenues	2,197,318	106,513	19,752
Total Cash Available	2,842,539	126,077	50,018
Less:			
2016-17 expenditures	(2,319,433)	(106,513)	(14,121)
Permanent Cash Transfer	-	(19,564)	-
Receivables/Payables	163,975	-	-
Outstanding Loans	(38,198)	-	-
Cash June 30, 2017	648,883	-	35,897
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	(111,076)	-	-
Cash Per Books	537,807	-	35,897
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	(125,777)	-	-
Fund Balance (Deficit), Modified Accrual Basis	\$ 412,030	-	35,897

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

Food Services 21000	Non-Instruct. Fund 23000	Federal Projects Account 24000	Federal Direct 25000	Local Grants 26000
19,760	8,098	-	8,085	-
87,722	14,081	85,224	2,952	-
107,482	22,179	85,224	11,037	-
(85,749)	(14,079)	(64,888)	(569)	(6,964)
-	-	-	-	-
-	-	676	-	42
-	-	13,382	-	6,922
21,733	8,100	34,394	10,468	-
-	-	(34,394)	-	-
21,733	8,100	-	10,468	-
-	-	1,099	-	(6,964)
21,733	8,100	1,099	10,468	(6,964)

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The International School at Mesa Del Sol
Cash Reconciliation
June 30, 2017**

	State Account 27000	Local or State Fund 29000	Public School Capital Outlay 31200
Cash, June 30, 2016	\$ -	23,055	-
Add:			
2016-17 revenues	83,168	9,295	233,823
Total Cash Available	83,168	32,350	233,823
Less:			
2016-17 expenditures	(88,407)	(28,949)	(193,237)
Permanent Cash Transfer	-	-	-
Receivables/Payables	7,597	-	-
Outstanding Loans	11,306	-	-
Cash June 30, 2017	13,664	3,401	40,586
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	(13,664)	-	(40,586)
Cash Per Books	-	3,401	-
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	-	-	-
Fund Balance (Deficit), Modified Accrual Basis	\$ -	3,401	-

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

HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
-	112,260	-	866,309
164,577	-	89,510	3,093,935
164,577	112,260	89,510	3,960,244
(1,644)	(6,588)	(75,008)	(3,006,149)
-	(112,260)	112,260	(19,564)
-	-	-	172,290
-	6,588	-	-
162,933	-	126,762	1,106,821
-	-	-	(199,720)
162,933	-	126,762	907,101
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:			(8,100)
			899,001
-	-	-	(131,642)
162,933	-	126,762	775,459
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:			(8,100)
Balance Sheets - Governmental Funds:			767,359

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

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements

June 30, 2017

VOLUME VII



**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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J. PAUL TAYLOR ACADEMY

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 167,769
Receivables	
Due from Other Governments	10,338
	<hr/>
Total Current Assets	178,107
	<hr/>

Noncurrent Assets:

Capital Assets	
Furnitures, Fixtures, and Equipment	22,482
Less: Accumulated Depreciation	(20,669)
	<hr/>
Total Noncurrent Assets	1,813
	<hr/>

Total Assets

179,920

Deferred Outflows - Pension Related

309,674

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accrued Liabilities	1,750
	<hr/>
Total Current Liabilities	1,750
	<hr/>

Noncurrent Liabilities:

Net Pension Liability	1,984,057
	<hr/>
Total Noncurrent Liabilities	1,984,057
	<hr/>

Total Liabilities

1,985,807

Deferred Inflows - Pension Related

138,349

NET POSITION (DEFICIT)

Net Investment in Capital Assets	1,813
Restricted	56,918
Unrestricted (Deficit)	(1,693,293)
	<hr/>
Total Net Position (Deficit)	\$ (1,634,562)
	<hr/> <hr/>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Statement Of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Program Revenues	Net (Expense) Revenues and Changes in Net Position
		Charges For Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 946,668	1,375	84,884	-	(860,409)
Support Services:					
Students	34,735	-	-	-	(34,735)
Instruction	8,992	-	-	-	(8,992)
General Administration	28,426	-	-	-	(28,426)
School Administration	158,229	-	-	-	(158,229)
Central Services	50,136	-	-	-	(50,136)
Operation & Maintenance of Plant	65,776	-	-	-	(65,776)
Food Services	96,589	28,866	35,217	-	(32,506)
Facilities Materials, Supplies & Other Services	156,937	-	-	153,294	(3,643)
Total Governmental Activities	\$ 1,546,488	30,241	120,101	153,294	(1,242,852)
General Revenues:					
State Equalization Guarantee					\$ 1,257,840
Miscellaneous					37,020
Total General Revenues					1,294,860
Change in Net Position					52,008
Net Position (Deficit) - Beginning					(1,686,570)
Net Position (Deficit) - Ending					\$ (1,634,562)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
ASSETS			
Cash and Cash Equivalents	\$ 110,851	32,409	14,920
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	10,176	-	-
Total Assets	121,027	32,409	14,920
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accrued expenditures	1,588	-	-
Due to Other Funds	-	-	-
Total Liabilities	1,588	-	-
<i>Fund Balances (Deficit)</i>			
Fund Balance:			
Restricted for:			
Instruction	-	32,409	-
Food Service Operations	-	-	14,920
Unassigned (Deficit)	119,439	-	-
Total Fund Balance (Deficit)	119,439	32,409	14,920
<i>Total Liabilities and Fund Balances (Deficit)</i>	\$ 121,027	32,409	14,920

Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Federal Charter School Planning 24146	Teacher Principal Training 24154
-	-	-	-	-
6,985	3,353	-	-	-
-	-	-	-	-
<u>6,985</u>	<u>3,353</u>	<u>-</u>	<u>-</u>	<u>-</u>
7	155	-	-	-
6,978	3,198	-	-	-
<u>6,985</u>	<u>3,353</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>6,985</u>	<u>3,353</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NET MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Medicaid 3 - 21 Years 25153	Spaceport Grant 26204	2012 SB-66 Student Library 27107
ASSETS			
Cash and Cash Equivalents	\$ 180	9,409	-
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	-	-	-
Total Assets	180	9,409	-
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued expenditures	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	-	-	-
Fund Balances (Deficit)			
Fund Balance:			
Restricted for:			
Instruction	180	9,409	-
Food Service Operations	-	-	-
Unassigned (Deficit)	-	-	-
Total Fund Balance (Deficit)	180	9,409	-
Total Liabilities and Fund Balances (Deficit)	\$ 180	9,409	-

New Mexico Grown FVV 27183	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total Government
-	-	-	167,769
-	-	-	10,338
-	-	-	10,176
-	-	-	188,283
-	-	-	1,750
-	-	-	10,176
-	-	-	11,926
-	-	-	41,998
-	-	-	14,920
-	-	-	119,439
-	-	-	176,357
-	-	-	188,283

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Reconciliation of the Balance Sheets of Governmental
Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds		\$ 176,357
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital Assets	22,482	
Accumulated Depreciation	<u>(20,669)</u>	1,813
Defined benefit pension plan deferred outflows are not financial resources and, therefore are not reported in the funds.		
		309,674
Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	<u>(1,984,057)</u>	(1,984,057)
Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		
		<u>(138,349)</u>
Net Position (Deficit) - Total Governmental Activities		<u>\$ (1,634,562)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Statement Of Revenues, Expenditures, And
Changes In Fund Balances(Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
REVENUES			
Local & County Grant	\$ 37,020	-	-
State Grant	1,257,840	12,396	-
Federal Grant	-	-	35,037
Charges for Services	1,375	-	28,866
Total Revenues	1,296,235	12,396	63,903
EXPENDITURES			
Current:			
Instruction	818,603	1,679	-
Support Services:			
Students	29,393	-	-
Instruction	5,480	-	-
General Administration	28,426	-	-
School Administration	145,539	-	-
Central Services	49,877	-	-
Operation & Maintenance of Plant	65,776	-	-
Food Services Operations	30,963	-	59,860
Capital Outlay	-	-	-
Total Expenditures	1,174,057	1,679	59,860
Net Changes in Fund Balances	122,178	10,717	4,043
Fund Balances (Deficit) - Beginning of Year	(2,739)	21,692	10,877
Fund Balances (Deficit) - End of Year	\$ 119,439	32,409	14,920

Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Federal Charter School Planning 24146	Teacher Principal Training 24154
-	-	-	-	-
-	-	-	-	-
35,874	15,633	35	-	3,820
-	-	-	-	-
<u>35,874</u>	<u>15,633</u>	<u>35</u>	<u>-</u>	<u>3,820</u>
35,874	14,706	-	25	2,049
-	927	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,771
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>35,874</u>	<u>15,633</u>	<u>-</u>	<u>25</u>	<u>3,820</u>
-	-	35	(25)	-
-	-	(35)	25	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Statement Of Revenues, Expenditures, And
Changes In Fund Balances(Deficit) - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Medicaid 3 - 21 Years 25153	Spaceport Grant 26204	2012 SB-66 Student Library 27107
REVENUES			
Local & County Grant	\$ -	9,394	-
State Grant	-	-	6,732
Federal Grant	180	-	-
Charges for Services	-	-	-
Total Revenues	<u>180</u>	<u>9,394</u>	<u>6,732</u>
EXPENDITURES			
Current:			
Instruction	-	-	-
Support Services:			
Students	-	-	-
Instruction	-	-	3,512
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Food Services Operations	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>3,512</u>
Net Changes in Fund Balances	<u>180</u>	<u>9,394</u>	<u>3,220</u>
Fund Balances (Deficit) - Beginning of Year	<u>-</u>	<u>15</u>	<u>(3,220)</u>
Fund Balances (Deficit) - End of Year	<u>\$ 180</u>	<u>9,409</u>	<u>-</u>

New Mexico Grown FVV 27183	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total Government
-	-	-	46,414
1,000	145,379	7,915	1,431,262
-	-	-	90,579
-	-	-	30,241
<u>1,000</u>	<u>145,379</u>	<u>7,915</u>	<u>1,598,496</u>
-	-	-	872,936
-	-	-	30,320
-	-	-	8,992
-	-	-	28,426
-	-	-	147,310
-	-	-	49,877
-	-	-	65,776
1,000	-	-	91,823
-	146,882	10,055	156,937
<u>1,000</u>	<u>146,882</u>	<u>10,055</u>	<u>1,452,397</u>
-	(1,503)	(2,140)	146,099
-	1,503	2,140	30,258
-	-	-	176,357

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance - Total Governmental Funds **\$ 146,099**

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

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 capital outlay
exceeds depreciation for the period

Depreciation expense	(1,812)	(1,812)
----------------------	---------	---------

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net		(92,279)
--	--	----------

Change in Net Position - Total Governmental Activities		\$ 52,008
---	--	------------------

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017**

	<u>Funds</u>
ASSETS	
Cash in Bank	\$ 36,238
Total Assets	<u>36,238</u>
LIABILITIES	
Deposits Held for Others	<u>36,238</u>
Total Liabilities	<u>\$ 36,238</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 15,487	35,656	(14,905)	36,238
Total Assets	<u>15,487</u>	<u>35,656</u>	<u>(14,905)</u>	<u>36,238</u>
LIABILITIES				
Deposits Held for Others	15,487	35,656	(14,905)	36,238
Total Liabilities	<u>\$ 15,487</u>	<u>35,656</u>	<u>(14,905)</u>	<u>36,238</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The J. Paul Taylor Academy's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The J. Paul Taylor Academy does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The J. Paul Taylor Academy utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
-----------------------------------	---------

Capital assets for the J. Paul Taylor Academy are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 22,482	-	-	22,482
<i>Total</i>	<u>22,482</u>	<u>-</u>	<u>-</u>	<u>22,482</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(18,857)	(1,812)	-	(20,669)
<i>Total</i>	<u>(18,857)</u>	<u>(1,812)</u>	<u>-</u>	<u>(20,669)</u>
Capital Assets, Net	<u>\$ 3,625</u>	<u>(1,812)</u>	<u>-</u>	<u>1,813</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Food Services	<u>\$ 1,812</u>
Total	<u><u>\$ 1,812</u></u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

The J. Paul Taylor Academy leased equipment and facilities under long-term cancelable operating leases. Rental expenses for the year ended June 30, 2017 was \$146,882. The J. Paul Taylor Academy's minimum future payments on this lease are as follows:

Year Ending June 30:	
2018	\$ 146,882
2019	146,882
2020	146,882
2021	146,882
Total	<u><u>\$ 587,528</u></u>

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to J. Paul Taylor Academy and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, J. Paul Taylor Academy paid employee and employer contributions of \$95,413 and \$108,577.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, J. Paul Taylor Academy reported a liability of \$1,984,057 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

J. Paul Taylor Academy's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, J. Paul Taylor Academy's proportion was 0.02757% percent, which was an increase of 0.0025% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, J. Paul Taylor Academy recognized pension expense of \$189,238. As of June 30, 2017, J. Paul Taylor Academy reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,608	(18,871)
Changes in assumptions	40,387	-
Net difference between projected and actual earnings on pension plan investments	118,432	-
Changes in proportion and differences between J. Paul Taylor Academy's contributions and proportionate share of contributions	46,834	(119,478)
J. Paul Taylor Academy's contributions subsequent to the measurement date	95,413	-
Total	\$ 309,674	(138,349)

The amount of \$95,413 reported as deferred outflows of resources related to pensions resulting from J. Paul Taylor Academy's 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 32,223
2019	(8,569)
2020	23,378
2021	28,880
Total	\$ 75,912

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Notes to the Financial Statements
June 30, 2017

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of J. Paul Taylor Academy’s proportionate share of the net pension liability to changes in the discount rate. The following presents J. Paul Taylor Academy’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what J. Paul Taylor Academy’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
J. Paul Taylor Academy’s proportionate share of the net pension liability	<u>\$ 2,627,837</u>	1,984,057	<u>1,449,901</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, J. Paul Taylor Academy Charter School’s accrued liability due to ERB was \$0.

NOTE 5. BUDGETARY INFORMATION

The school did not adopt a budget for the IDEA-B Risk Pool – 24120 Fund, Federal Charter School Planning – 24146 Fund, and the Medicaid 3-21 Years – 25153 Fund.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.03%	0.03%	0.03%
School's Proportionate Share of Net Pension Liability (Asset)	\$	1,984	1,948	1,719
School's Covered-Employee Payroll	\$	756	821	831
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.43%	237.23%	207.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for J. Paul Taylor Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	\$ 119	109	95
Contributions in Relation to the Contractually Required Contribution	<u>119</u>	<u>109</u>	<u>95</u>
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for J. Paul Taylor Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	37,020	37,020
State Grant	1,233,360	1,257,840	1,257,840	-
Charges for Services	-	-	31,844	31,844
Total Revenues	1,233,360	1,257,840	1,326,704	68,864
EXPENDITURES				
Current:				
Instruction	870,240	851,419	818,628	32,791
Support Services:				
Students	43,698	50,186	29,393	20,793
Instruction	12,150	10,180	5,480	4,700
General Administration	26,150	31,308	28,426	2,882
School Administration	138,655	148,780	145,788	2,992
Central Services	54,405	49,967	49,877	90
Operation & Maintenance of Plant	50,702	70,699	67,153	3,546
Other Support Services Operations	38,039	48,539	-	48,539
Food Services Operations	33,937	31,378	30,963	415
Total Expenditures	1,267,976	1,292,456	1,175,708	116,748
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(34,616)	(34,616)	150,996	185,612
Other financing sources (uses):				
Designated Cash	34,616	34,616	-	(34,616)
Total other financing sources (uses):	34,616	34,616	-	(34,616)
Net Changes in Fund Balances	-	-	150,996	150,996
Cash or Fund Balances - Beginning of Year	-	-	(2,739)	(2,739)
Cash or Fund Balances - End of Year	\$ -	-	148,257	148,257
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 150,996	
Adjustments to Revenues			(30,469)	
Adjustments to Expenditures			1,651	
NET CHANGE IN FUND BALANCE			\$ 122,178	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 11,041	9,326	12,396	3,070
Total Revenues	11,041	9,326	12,396	3,070
EXPENDITURES				
Current:				
Instruction	11,041	31,018	1,679	29,339
Total Expenditures	11,041	31,018	1,679	29,339
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(21,692)	10,717	32,409
Other financing sources (uses):				
Designated Cash	-	21,692	-	(21,692)
Total other financing sources (uses):	-	21,692	-	(21,692)
Net Changes in Fund Balances	-	-	10,717	10,717
Cash or Fund Balances - Beginning of Year	-	-	21,692	21,692
Cash or Fund Balances - End of Year	\$ -	-	32,409	32,409
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>			\$ 10,717	
<i>Over (Under) Expenditures</i>				
NET CHANGE IN FUND BALANCE			\$ 10,717	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 33,100	33,100	35,037	1,937
Charges for Services	26,000	26,000	28,866	2,866
Total Revenues	59,100	59,100	63,903	4,803
EXPENDITURES				
Current:				
Food Services Operations	66,308	66,308	59,860	6,448
Total Expenditures	66,308	66,308	59,860	6,448
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(7,208)	(7,208)	4,043	11,251
Other financing sources (uses):				
Designated Cash	7,208	7,208	-	(7,208)
Total other financing sources (uses):	7,208	7,208	-	(7,208)
Net Changes in Fund Balances	-	-	4,043	4,043
Cash or Fund Balances - Beginning of Year	-	-	10,877	10,877
Cash or Fund Balances- End of Year	\$ -	-	14,920	14,920
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 4,043	
NET CHANGE IN FUND BALANCE			\$ 4,043	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 27,212	58,343	28,889	(29,454)
Total Revenues	<u>27,212</u>	<u>58,343</u>	<u>28,889</u>	<u>(29,454)</u>
EXPENDITURES				
Current:				
Instruction	27,212	58,343	35,874	22,469
Total Expenditures	<u>27,212</u>	<u>58,343</u>	<u>35,874</u>	<u>22,469</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,985)</u>	<u>(6,985)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(6,985)</u>	<u>(6,985)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (6,985)	
<i>Adjustments to Revenues</i>			<u>6,985</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Entitlement 24106
IDEA-B
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 33,889	60,030	12,280	(47,750)
Total Revenues	<u>33,889</u>	<u>60,030</u>	<u>12,280</u>	<u>(47,750)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	33,889	20,549	927	19,622
Total Expenditures	<u>33,889</u>	<u>60,030</u>	<u>15,633</u>	<u>44,397</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(3,353)	(3,353)
Net Changes in Fund Balances	-	-	(3,353)	(3,353)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,353)</u>	<u>(3,353)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (3,353)	
<i>Adjustments to Revenues</i>			3,353	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	-	35	35
Total Revenues	-	-	35	35
EXPENDITURES				
Current:				
Support Services:				
Students	-	-	-	-
Total Expenditures	-	-	-	-
Net Changes in Fund Balances	-	-	35	35
Cash or Fund Balances - Beginning of Year	-	-	(35)	(35)
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 35	
NET CHANGE IN FUND BALANCE			\$ 35	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 5,369	11,621	3,820	(7,801)
Total Revenues	<u>5,369</u>	<u>11,621</u>	<u>3,820</u>	<u>(7,801)</u>
EXPENDITURES				
Current:				
Instruction	3,000	7,000	2,049	4,951
Support Services:				
School Administration	2,369	4,621	1,771	2,850
Total Expenditures	<u>5,369</u>	<u>11,621</u>	<u>3,820</u>	<u>7,801</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 J. PAUL TAYLOR ACADEMY
 Schedule of Budgetary Comparisons - Budgetary Basis
 Medicaid 3-21 Years 25153
 For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	-	180	180
<i>Total Revenues</i>	-	-	180	180
EXPENDITURES	-	-	-	-
<i>Net Changes in Fund Balances</i>	-	-	180	180
<i>Cash or Fund Balances - Beginning of Year</i>	-	-	-	-
<i>Cash or Fund Balances - End of Year</i>	\$ -	-	180	180
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 180	
NET CHANGE IN FUND BALANCE			\$ 180	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Spaceport Grant 26204
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	9,394	9,394	-
Total Revenues	-	9,394	9,394	-
EXPENDITURES				
Current:				
Instruction	11,108	9,410	-	9,410
Total Expenditures	11,108	9,410	-	9,410
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(11,108)	(16)	9,394	9,410
Other financing sources (uses):				
Designated Cash	11,108	16	-	(16)
Total other financing sources (uses):	11,108	16	-	(16)
Net Changes in Fund Balances	-	-	9,394	9,394
Cash or Fund Balances - Beginning of Year	-	-	15	15
Cash or Fund Balances - End of Year	\$ -	-	9,409	9,409
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 9,394	
NET CHANGE IN FUND BALANCE			\$ 9,394	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
2012 SB-66 Student Library 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 3,512	3,512	6,732	3,220
Total Revenues	<u>3,512</u>	<u>3,512</u>	<u>6,732</u>	<u>3,220</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	3,512	3,512	3,512	-
Total Expenditures	<u>3,512</u>	<u>3,512</u>	<u>3,512</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	3,220	3,220
Net Changes in Fund Balances	-	-	3,220	3,220
Cash or Fund Balances - Beginning of Year	-	-	(3,220)	(3,220)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 3,220	
NET CHANGE IN FUND BALANCE			<u>\$ 3,220</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Grown FVV 27183
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	1,000	1,000	-
Total Revenues	-	1,000	1,000	-
EXPENDITURES				
Current:				
Food Services Operations	-	1,000	1,000	-
Total Expenditures	-	1,000	1,000	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	146,882	158,381	11,499
Total Revenues	-	146,882	158,381	11,499
EXPENDITURES				
Capital Outlay	-	146,882	146,882	-
Total Expenditures	-	146,882	146,882	-
Net Changes in Fund Balance	-	-	11,499	11,499
Cash or Fund Balances - Beginning of Year	-	-	1,503	1,503
Cash or Fund Balances - End of Year	\$ -	-	13,002	13,002
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 11,499	
<i>Adjustments to Revenues</i>			(13,002)	
NET CHANGE IN FUND BALANCE			\$ (1,503)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 10,234	20,008	10,055	(9,953)
Total Revenues	<u>10,234</u>	<u>20,008</u>	<u>10,055</u>	<u>(9,953)</u>
EXPENDITURES				
Capital Outlay	10,234	20,008	10,055	9,953
Total Expenditures	<u>10,234</u>	<u>20,008</u>	<u>10,055</u>	<u>9,953</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,140</u>	<u>2,140</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,140</u>	<u>2,140</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
NET CHANGE IN FUND BALANCE			<u>\$ (2,140)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2017

Name of Depository	Security Type	CUSIP/Security Number	Maturity Date	Fair Value June 30, 2017
N/A	N/A	N/A	N/A	\$ -
			Total Cash per Schedule of Cash Accounts:	\$ 219,059
			Less: FDIC Coverage:	(219,059)
			Uninsured Public Funds:	-
			Collateral Requirement:	-
			Pledged Collateral Held by Pledging Financial Institution:	-
			Balance Over Collateralized:	\$ -
			Balance Uninsured and Uncollateralized at June 30, 2017:	\$ -

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	Century Bank
Checking - Operational Account	\$ 219,059
Total on Deposit	219,059
Reconciling Items	(15,052)
Reconciled Balance June 30, 2017	204,007
Less Agency Funds	(36,238)
Total Cash	\$ 167,769

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
	<u>11000</u>	<u>14000</u>	<u>21000</u>
Cash, June 30, 2016	\$ -	5,812	10,877
Add:			
2016-17 revenues	<u>1,296,236</u>	<u>12,396</u>	<u>63,903</u>
Total Cash Available	1,296,236	18,208	74,780
Less:			
2016-17 expenditures	(1,175,708)	(1,679)	(59,860)
Receivables/Payables	1,588	-	-
Outstanding Loans	<u>(10,176)</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>111,940</u>	<u>16,529</u>	<u>14,920</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	<u>(1,089)</u>	<u>15,880</u>	<u>-</u>
Cash Per Books	<u>110,851</u>	<u>32,409</u>	<u>14,920</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>8,588</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) , Modified Accrual Basis	<u>\$ 119,439</u>	<u>32,409</u>	<u>14,920</u>

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

Agency Funds 23000	Federal Projects Account 24000	Federal Direct 25000	Local Grants Account 26000	State Account 27000
15,486	25	-	15	-
<u>35,656</u>	<u>45,024</u>	<u>180</u>	<u>9,394</u>	<u>7,732</u>
51,142	45,049	180	9,409	7,732
(14,891)	(55,327)	-	-	(4,512)
(13)	162	-	-	-
<u> </u>	<u>10,176</u>	<u> </u>	<u> </u>	<u> </u>
<u>36,238</u>	<u>60</u>	<u>180</u>	<u>9,409</u>	<u>3,220</u>
-	(60)	<u> </u>	<u> </u>	<u>(3,220)</u>
<u>36,238</u>	<u>-</u>	<u>180</u>	<u>9,409</u>	<u>-</u>
-	-	-	-	-
<u><u>36,238</u></u>	<u><u>-</u></u>	<u><u>180</u></u>	<u><u>9,409</u></u>	<u><u>-</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. Paul Taylor Academy
Cash Reconciliation
June 30, 2017

	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total Government
	<u>31200</u>	<u>31700</u>	<u>Government</u>
Cash, June 30, 2016	-	-	\$ 32,215
Add:			
	158,381	10,055	1,638,957
Total Cash Available	<u>158,381</u>	<u>10,055</u>	<u>1,671,172</u>
Less:			
2016-17 expenditures			
Receivables/Payables	(146,882)	(10,055)	(1,468,914)
	-	-	1,737
	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>11,499</u>	<u>-</u>	<u>203,995</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash			
Cash Per Books	<u>(11,499)</u>	<u>-</u>	<u>12</u>
	<u>-</u>	<u>-</u>	<u>204,007</u>
		Less: Agency Fund:	<u>(36,238)</u>
			<u>\$ 167,769</u>
Modified Accrual Adjustments			
Fund Balance (Deficit) , Modified Accrual Basis	-	-	8,588
	<u>-</u>	<u>-</u>	<u>212,595</u>
		Less: Agency Fund:	<u>(36,238)</u>
			<u>\$ 176,357</u>

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

LA ACADEMIA DOLORES HUERTA

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current assets:

Cash and Cash Equivalents	\$ 239,894
Receivables	
Due from Other Governments	33,061
Total current assets	<u>272,955</u>

Noncurrent assets:

Capital Assets	
Furniture, Fixtures, and Equipment	107,244
Less: Accumulated Depreciation	(78,542)
Total Capital Assets	<u>28,702</u>
Total Assets	<u>301,657</u>

Deferred Outflows - Pension Related	<u>608,206</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	44,816
Accrued Liabilities	43,421
Total Current Liabilities	<u>88,237</u>

Noncurrent Liabilities:

Net Pension Liability	2,335,962
Total Noncurrent Liabilities	<u>2,335,962</u>
Total Liabilities	<u>2,424,199</u>

Deferred Inflows - Pension Related	<u>22,218</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	28,702
Restricted	142,626
Unrestricted (Deficit)	(1,707,882)
Total Net Position (Deficit)	<u>\$ (1,536,554)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Program Revenues	Net (Expenses) Revenues and Changes in Net Position
		Charges For Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 992,165	-	189,447	-	(802,718)
Support Services:					
Students	177,242	-	-	-	(177,242)
Instruction	3,040	-	-	-	(3,040)
General Administration	15,723	-	-	-	(15,723)
School Administration	212,630	-	-	-	(212,630)
Central Services	181,891	-	-	-	(181,891)
Operation & Maintenance of Plant	103,771	-	-	-	(103,771)
Student Transportation	60,174	-	-	-	(60,174)
Food Services	113,118	1,538	91,012	-	(20,568)
Facilities Materials, Supplies & Other Services	149,083	-	-	85,995	(63,088)
Total Governmental Activities	\$ 2,008,837	1,538	280,459	85,995	(1,640,845)
General Revenues:					
Property Taxes					\$ 100,655
State Equalization Guarantee					1,355,353
Total General Revenues					1,456,008
Change in Net Position					(184,837)
Net Position (Deficit), Beginning of Year					(1,351,717)
Net Position (Deficit), Ending					\$ (1,536,554)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
ASSETS			
Cash and Cash Equivalents	\$ 97,268	1,637	35,740
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	68,351	-	-
Total Assets	\$ 165,619	1,637	35,740
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Expenditures	\$ 44,816	-	-
Due to Other Funds	-	-	-
Total Liabilities	44,816	-	-
Fund Balances			
Fund Balance:			
Restricted for:			
Instruction	-	1,637	35,740
Food Service Operations	-	-	-
Capital Improvements	-	-	-
Unassigned	120,803	-	-
Total Fund Balance	120,803	1,637	35,740
Total Liabilities and Fund Balances	\$ 165,619	1,637	35,740

Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Spaceport Grt Grant - Dona Ana County 26204	Medicaid HSD 28144
-	-	-	-	7,614	5,410
9,225	-	-	15,332	-	-
-	-	-	-	-	-
<u>9,225</u>	<u>-</u>	<u>-</u>	<u>15,332</u>	<u>7,614</u>	<u>5,410</u>
-	-	-	-	-	-
15,849	-	-	15,332	-	-
<u>15,849</u>	<u>-</u>	<u>-</u>	<u>15,332</u>	<u>-</u>	<u>-</u>
-	-	-	-	7,614	5,410
-	-	-	-	-	-
(6,624)	-	-	-	-	-
<u>(6,624)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,614</u>	<u>5,410</u>
<u>9,225</u>	<u>-</u>	<u>-</u>	<u>15,332</u>	<u>7,614</u>	<u>5,410</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Academia Dolores Huerta
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
ASSETS				
Cash and Cash Equivalents	-	92,225	-	\$ 239,894
Accounts Receivable				
Due from Government	-	-	8,504	33,061
Due from Other Funds	-	-	-	68,351
Total Assets	-	92,225	8,504	341,306
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accrued Expenditures	-	-	-	44,816
Due to Other Funds	28,666	-	8,504	68,351
Total Liabilities	28,666	-	8,504	113,167
<i>Fund Balances</i>				
Fund Balance:				
Restricted for:				
Instruction	-	-	-	50,401
Capital Improvements	-	92,225	-	92,225
Unassigned	(28,666)	-	-	85,513
Total Fund Balance	(28,666)	92,225	-	228,139
Total Liabilities and Fund Balances	-	92,225	8,504	\$ 341,306

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Reconciliation of the Balance Sheets of
Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 228,139**

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

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

Capital Assets	107,244	
Accumulated Depreciation	(78,542)	
	28,702	28,702

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds. 608,206

Compensated Absences (43,421)

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Net Pension Liability (2,335,962)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds. (22,218)

Net Position (Deficit)-Total Governmental Activities **\$ (1,536,554)**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	-	-	-
State Grant	1,355,353	61,811	11,747
Federal Grant	-	-	-
Charges for Services	-	-	-
Total Revenues	<u>1,355,353</u>	<u>61,811</u>	<u>11,747</u>
EXPENDITURES			
Current:			
Instruction	788,026	-	2,766
Support Services:			
Students	146,691	-	-
Instruction	3,040	-	-
General Administration	15,723	-	-
School Administration	160,913	-	-
Central Services	165,328	-	-
Operation & Maintenance of Plant	91,578	-	-
Student Transportation	-	60,174	-
Other Support Services Operations	-	-	-
Food Services Operations	16,855	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>1,388,154</u>	<u>60,174</u>	<u>2,766</u>
Net Changes in Fund Balances	<u>(32,801)</u>	<u>1,637</u>	<u>8,981</u>
Fund Balances (Deficit) - Beginning of Year	<u>153,604</u>	<u>-</u>	<u>26,759</u>
Fund Balances (Deficit) - End of Year	<u>\$ 120,803</u>	<u>1,637</u>	<u>35,740</u>

Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Spaceport Grt Grant - Dona Ana County 26204	Medicaid HSD 28144
-	-	-	-	-	-
-	-	-	-	8,159	-
-	-	-	-	-	2,654
91,012	56,115	25,125	15,332	-	-
1,538	-	-	-	-	-
<u>92,550</u>	<u>56,115</u>	<u>25,125</u>	<u>15,332</u>	<u>8,159</u>	<u>2,654</u>
-	56,115	-	15,332	568	-
-	-	25,125	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
93,495	-	-	-	-	-
-	-	-	-	-	-
<u>93,495</u>	<u>56,115</u>	<u>25,125</u>	<u>15,332</u>	<u>568</u>	<u>-</u>
(945)	-	-	-	7,591	2,654
(5,679)	-	-	-	23	2,756
<u>(6,624)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,614</u>	<u>5,410</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Academia Dolores Huerta
Statement of Revenues, Expenditures, and Changes In Fund Balances - Continued
Governmental Funds
For The Year Ended June 30, 2017

	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
REVENUES				
Property Taxes	-	100,655	-	\$ 100,655
Local & County Grant	-	-	-	8,159
State Grant	85,995	-	8,504	1,464,253
Federal Grant	-	-	-	187,584
Charges for Services	-	-	-	1,538
Total Revenues	85,995	100,655	8,504	1,762,189
EXPENDITURES				
Current:				
Instruction	-	-	-	862,807
Support Services:				
Students	-	-	-	171,816
Instruction	-	-	-	3,040
General Administration	-	-	-	15,723
School Administration	-	-	-	160,913
Central Services	-	-	-	165,328
Operation & Maintenance of Plant	-	-	-	91,578
Student Transportation	-	-	-	60,174
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	-	110,350
Capital Outlay	114,661	25,918	8,504	149,083
Total Expenditures	114,661	25,918	8,504	1,790,812
Net Changes in Fund Balances	(28,666)	74,737	-	33,188
Fund Balances - Beginning of Year	-	17,488	-	194,951
Fund Balances - End of Year	(28,666)	92,225	-	\$ 228,139

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds	\$ 33,188
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
Change in Compensated Absences	(26,078)
<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 capital outlay exceeds depreciation for the period</p>	
Depreciation Expense	(8,580)
Changes in deferred outflows resources-pension related, deferred inflows of resources-pension related and the net pension liability	<u>(183,367)</u>
Change in Net Position-Total Governmental Activities	<u><u>\$ (184,837)</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 11,352
Total Assets	<u>\$ 11,352</u>
LIABILITIES	
Deposits Held for Others	\$ 11,352
Total Liabilities	<u>\$ 11,352</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 7,484	21,862	17,994	11,352
Total Assets	<u>7,484</u>	<u>21,862</u>	<u>17,994</u>	<u>11,352</u>
LIABILITIES				
Deposits Held for Others	7,484	21,862	17,994	11,352
Total Liabilities	<u>\$ 7,484</u>	<u>21,862</u>	<u>17,994</u>	<u>11,352</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Academia Dolores Huerta
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at their acquisition cost as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The La Academia Dolores Huerta's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The La Academia Dolores Huerta does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The La Academia Dolores Huerta utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
-----------------------------------	---------

Capital assets for the La Academia Dolores Huerta are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 107,244	-	-	107,244
<i>Total</i>	107,244	-	-	107,244
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(69,962)	(8,580)	-	(78,542)
<i>Total</i>	(69,962)	(8,580)	-	(78,542)
Capital Assets, Net	\$ 37,282	(8,580)	-	28,702

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Facilities, Materials, Supplies & Other Services	\$ 8,580
Total	\$ 8,580

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Academia Dolores Huerta
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

The La Academia Dolores Huerta leased equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$170,189. The La Academia Dolores Huerta's minimum future payments on this lease are as follows:

Year Ending June 30:			
2018		\$	170,189
2019			170,189
2020			170,189
2021			170,189
Total		\$	<u>680,756</u>

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to La Academia Dolores Huerta Academy and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions – For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, La Academia Dolores Huerta paid employee and employer contributions of \$131,179 and \$121,910, which equal the amount of the required contributions for each fiscal year.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Academia Dolores Huerta
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, La Academia Dolores Huerta reported a liability of \$2,335,962 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

La Academia Dolores Huerta’s proportion of the net pension liability was based on a projection La Academia Dolores Huerta’s long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2016 La Academia Dolores Huerta’s proportion was 0.02716%, which was an increase of .0053% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, La Academia Dolores Huerta’s recognized pension expense is \$322,108. At June 30, 2017, La Academia Dolores Huerta reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 10,134	(22,218)
Changes in assumptions	47,551	-
Net difference between projected and actual earnings on pension plan investments	139,438	-
Changes in proportion and differences between La Academia Dolores Huerta’s contributions and proportionate share of contributions	279,904	-
La Academia Dolores Huerta’s contributions subsequent to the measurement date	131,179	-
Total	\$ 608,206	(22,218)

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Academia Dolores Huerta
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$131,179 reported as deferred outflows of resources related to pensions resulting from La Academia Dolores Huerta’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 143,675
2019	141,789
2020	135,342
2021	34,003
Total	\$ 454,809

Sensitivity of La Academia Dolores Huerta’s proportionate share of the net pension liability to changes in the discount rate. The following presents La Academia Dolores Huerta’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the La Academia Dolores Huerta’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
La Academia Dolores Huerta’s proportionate share of the net pension liability	\$ 3,093,928	2,335,962	1,707,065

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, La Academia Dolores Huerta’s accrued liability due to ERB was \$25,192 for June payroll paid in July 2017.

NOTE 5. DEFICIT FUND BALANCE

At June 30, 2017, the Food Service Fund and Public School Capital Outlay Fund had a deficit fund balances of \$6,624 and \$28,666, respectively. These deficits will be eliminated as revenues are expected to exceed expenditures in the next fiscal year.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

Fiscal Year Measurement Date	30-Jun		
	2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)	0.03%	0.03%	0.03%
School's Proportionate Share of Net Pension Liability (Asset)	\$ 2,336	1,759	1,508
School's Covered-Employee Payroll	\$ 890	742	729
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	262.47%	237.23%	206.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for La Academia Dolores Huerta is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	\$ 122	122	131
Contributions in Relation to the Contractually Required Contribution	<u>122</u>	<u>122</u>	<u>131</u>
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for La Academia Dolores Huerta is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 1,307,140	1,355,353	1,355,353	-
Total Revenues	1,307,140	1,355,353	1,355,353	-
EXPENDITURES				
Current:				
Instruction	853,284	817,258	788,026	29,232
Support Services:				
Students	119,418	119,418	146,691	(27,273)
Instruction	-	-	3,040	(3,040)
General Administration	25,800	25,800	15,723	10,077
School Administration	161,054	161,054	160,913	141
Central Services	188,314	188,314	165,328	22,986
Operation & Maintenance of Plant	182,979	182,979	91,578	91,401
Food Services Operations	21,046	21,046	16,855	4,191
Total Expenditures	1,551,895	1,515,869	1,388,154	127,715
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<i>(244,755)</i>	<i>(160,516)</i>	<i>(32,801)</i>	<i>127,715</i>
Other Financing Sources (Uses):				
Designated Cash	244,755	160,516	-	(160,516)
Total Other Financing Sources (Uses):	244,755	160,516	-	(160,516)
Net Changes in Fund Balances				
	-	-	(32,801)	(32,801)
Cash or Fund Balances - Beginning of Year				
	-	-	153,604	153,604
Cash or Fund Balances - End of Year				
	\$ -	-	120,803	120,803
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (32,801)	
NET CHANGE IN FUND BALANCE			\$ (32,801)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	61,811	61,811	-
Total Revenues	-	61,811	61,811	-
EXPENDITURES				
Current:				
Student Transportation	-	61,811	60,174	1,637
Total Expenditures	-	61,811	60,174	1,637
Net Changes in Fund Balances	-	-	1,637	1,637
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	1,637	1,637
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 1,637	
NET CHANGE IN FUND BALANCE			\$ 1,637	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 9,087	8,115	11,747	3,632
Total Revenues	<u>9,087</u>	<u>8,115</u>	<u>11,747</u>	<u>3,632</u>
EXPENDITURES				
Current:				
Instruction	34,863	33,891	2,766	31,125
Total Expenditures	<u>34,863</u>	<u>33,891</u>	<u>2,766</u>	<u>31,125</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(25,776)</u>	<u>(25,776)</u>	<u>8,981</u>	<u>34,757</u>
Other Financing Sources (Uses):				
Designated Cash	<u>25,776</u>	<u>25,776</u>	<u>-</u>	<u>(25,776)</u>
Total Other Financing Sources (Uses):	<u>25,776</u>	<u>25,776</u>	<u>-</u>	<u>(25,776)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>8,981</u>	<u>8,981</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>26,759</u>	<u>26,759</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>35,740</u>	<u>35,740</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			<u>\$ 8,981</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 8,981</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 98,000	98,000	81,787	(16,213)
Charges for Services	2,000	2,000	1,538	(462)
Total Revenues	100,000	100,000	83,325	(16,675)
EXPENDITURES				
Current:				
Food Services Operations	100,000	100,000	93,495	6,505
Total Expenditures	100,000	100,000	93,495	6,505
Net Changes in Fund Balances	-	-	(10,170)	(10,170)
Cash or Fund Balances - Beginning of Year	-	-	(5,679)	(5,679)
Cash or Fund Balances - End of Year	\$ -	-	(15,849)	(15,849)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (10,170)	
Adjustments to Revenues			9,225	
NET CHANGE IN FUND BALANCE			\$ (945)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 49,260	76,371	140,865	64,494
Total Revenues	49,260	76,371	140,865	64,494
EXPENDITURES				
Current:				
Instruction	49,260	76,371	56,115	20,256
Total Expenditures	49,260	76,371	56,115	20,256
Net Changes in Fund Balances	-	-	84,750	84,750
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	84,750	84,750
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 84,750	
Adjustments to Revenues			(84,750)	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 31,694	31,694	61,730	30,036
Total Revenues	31,694	31,694	61,730	30,036
EXPENDITURES				
Current:				
Support Services:				
Students	31,694	31,694	23,125	8,569
Total Expenditures	31,694	31,694	23,125	8,569
Net Changes in Fund Balances	-	-	38,605	38,605
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	38,605	38,605
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 38,605	
Adjustments to Revenues			(36,605)	
Adjustments to Expenditures			(2,000)	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	22,812	-	(22,812)
Total Revenues	-	22,812	-	(22,812)
EXPENDITURES				
Current:				
Instruction	-	22,812	15,332	7,480
Total expenditures	-	22,812	15,332	7,480
Net changes in Fund Balances	-	-	(15,332)	(15,332)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(15,332)	(15,332)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (15,332)	
Adjustments to Revenues			15,332	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Budgetary Comparisons - Budgetary Basis
Spaceport Grt Grant - Dona Ana County 26204
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	8,159	8,159	-
Total Revenues	-	8,159	8,159	-
EXPENDITURES				
Current:				
Instruction	-	8,159	568	7,591
Total Expenditures	-	8,159	568	7,591
Net Changes in Fund Balances	-	-	7,591	7,591
Cash or Fund Balances - Beginning of Year	-	-	23	23
Cash or Fund Balances - End of Year	\$ -	-	7,614	7,614
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 7,591	
NET CHANGE IN FUND BALANCE			\$ 7,591	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Budgetary Comparisons - Budgetary Basis
Medicaid HSD 28144
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	2,654	2,654
<i>Total Revenues</i>	-	-	2,654	2,654
EXPENDITURES	-	-	-	-
<i>Net Changes in Fund Balances</i>	-	-	2,654	2,654
<i>Cash or Fund Balances - Beginning of Year</i>	-	-	2,756	2,756
<i>Cash or Fund Balances - End of Year</i>	\$ -	-	5,410	5,410
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,654	
NET CHANGE IN FUND BALANCE			\$ 2,654	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	114,661	114,661	-
Total Revenues	-	114,661	114,661	-
EXPENDITURES				
Current:				
Capital Outlay	-	114,661	114,661	-
Total Expenditures	-	114,661	114,661	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			(28,666)	
NET CHANGE IN FUND BALANCE			\$ (28,666)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 39,141	39,141	115,798	76,657
Total Revenues	39,141	39,141	115,798	76,657
EXPENDITURES				
Capital Outlay	74,578	74,578	25,918	48,660
Total Expenditures	74,578	74,578	25,918	48,660
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(35,437)	(35,437)	89,880	125,317
Other financing sources (uses):				
Designated Cash	35,437	35,437	-	(35,437)
Total other financing sources (uses):	35,437	35,437	-	(35,437)
Net Changes in Fund Balances	-	-	89,880	89,880
Cash or Fund Balances - Beginning of Year	-	-	17,488	17,488
Cash or Fund Balances - End of Year	\$ -	-	107,368	107,368
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 89,880	
Adjustments to Revenues			(15,143)	
NET CHANGE IN FUND BALANCE			\$ 74,737	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	8,504	22,577	14,073
Total Revenues	-	8,504	22,577	14,073
EXPENDITURES				
Capital Outlay	-	8,504	8,504	-
Total Expenditures	-	8,504	8,504	-
Net Changes in Fund Balances	-	-	14,073	14,073
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	14,073	14,073
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 14,073	
Adjustments to Revenues			(14,073)	
NET CHANGE IN FUND BALANCE			\$ -	

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
US Bank	FHLMC FGLMC C78550	31288HQB9	5/1/2033	\$ 77,992
US Bank	FHLMC GOLD POOL G11311	31283KN46	10/1/2017	549
US Bank	FHLMC GOLD POOL G11502	31283KU30	12/1/2018	6,508
US Bank	FHLMC GOLD POOL G14597	3128MDKJ1	11/1/2027	53,640
				<u>\$ 138,689</u>
Total Cash per Schedule of Cash Accounts:				274,739
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				24,739
Collateral Requirement:				12,370
Pledged Collateral Held by Pledging Financial Institution:				<u>138,689</u>
Balance Over (Under) Collateralized:				<u>126,319</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ -</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	US Bank
Checking - Operational Account	\$ 263,387
Checking - Activity Account	11,352
<i>Total on Deposit</i>	274,739
Reconciling Items	(23,493)
Reconciled Balance June 30, 2017	251,246
Less Agency Funds	(11,352)
<i>Total Cash</i>	\$ 239,894

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA ACADEMIA DOLORES HUERTA
Cash Reconciliation
June 30, 2017**

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
Cash, June 30, 2016	\$ 24,849	-	26,759
Add:			
2016-17 revenues	1,355,353	61,811	11,747
Total Cash Available	1,380,202	61,811	38,506
Less:			
2016-17 expenditures	(1,388,154)	(60,174)	(2,766)
Receivables/Payables	44,816	-	-
Outstanding Loans	(68,351)	-	-
Cash June 30, 2017	(31,487)	1,637	35,740
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	128,755		-
Cash Per Books	97,268	1,637	35,740
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	23,535	-	-
Fund Balance, Modified Accrual Basis	\$ 120,803	1,637	35,740

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

Food Services 21000	Non-Instruct. Fund 23000	Federal Projects Account 24000	Local Grant Funds 26000	State Direct Account 28000
-	7,484	185	23	2,756
83,325	21,862	202,595	8,159	2,654
83,325	29,346	202,780	8,182	5,410
(93,495)	(17,994)	(94,572)	(568)	-
-	-	-	-	-
15,849	-	15,332	-	-
5,679	11,352	123,540	7,614	5,410
(5,679)	-	(123,540)	-	-
-	11,352	-	7,614	5,410
(6,624)	(11,352)	-	-	-
(6,624)	-	-	7,614	5,410

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Academia Dolores Huerta
Cash Reconciliation
June 30, 2017**

	Public School Capital Outlay 31200	Capital Improv HB 33 31600	Capital Improv SB 9 31700	Total
Cash, June 30, 2016	\$ -	2,345	-	64,401
Add:				
2016-17 revenues	114,661	115,798	22,577	2,000,542
Total Cash Available	114,661	118,143	22,577	2,064,943
Less:				
2016-17 expenditures	(114,661)	(25,918)	(8,504)	(1,806,806)
Receivables/Payables	-	-	-	44,816
Outstanding Loans	28,666	-	8,504	-
Cash June 30, 2017	28,666	92,225	22,577	302,953
 Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	(28,666)	-	(22,577)	(51,707)
Cash Per Books	-	92,225	-	251,246
			Less: Agency Fund:	(11,352)
				\$ 239,894
 Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(28,666)	-	-	(23,107)
Fund Balance, Modified Accrual Basis	\$ (28,666)	92,225	-	228,139
		Balance Sheets - Governmental Funds:		\$ 228,139

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

LA JICARITA COMMUNITY SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Statement of Net Position
June 30, 2017**

DEFERRED OUTFLOWS

Deferred Outflows - Pension Related	<u>\$ 169,348</u>
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LIABILITIES AND DEFERRED INFLOWS

Noncurrent Liabilities:

Net Pension Liability	<u>\$ 484,320</u>
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Total Noncurrent Liabilities	<u>484,320</u>
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Total Liabilities	<u>484,320</u>
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Deferred Inflows - Pension Related	<u>11,401</u>
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NET POSITION (DEFICIT)

Unrestricted (Deficit)	<u>(326,373)</u>
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Total Net Position (Deficit)	<u><u>\$ (326,373)</u></u>
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The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Support Services:					
General Administration	\$ 166,151	-	-	-	(166,151)
Central Services	13,206	-	-	-	(13,206)
Operation & Maintenance of Plant	10,913	-	-	-	(10,913)
Facilities Materials, Supplies & Other Services	939	-	-	-	(939)
Total Governmental Activities	\$ 191,209	-	-	-	(191,209)
					Distribution of cash to the New Mexico Public Education Department (Note 5)
					(39,334)
					Special Items:
					Contribution of equipment to Penasco Independent School District (Note 2)
					(71,699)
					Abandonment of building and building improvements (Note 2)
					(151,753)
					Gain on extinguishment of debt (Note 3)
					395,050
					Total special items
					171,598
					Change in Net Position
					(58,945)
					Net Position (Deficit), Beginning
					(267,428)
					Net Position (Deficit), Ending
					\$ (326,373)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Federal Charter Planning 24146
ASSETS				
Cash and Cash Equivalents	\$ -	-	-	-
Accounts Receivable				
Due from Government	-	-	-	-
Due from Other Funds	-	-	-	-
Prepaid Expenditures	-	-	-	-
Total Assets	\$ -	-	-	-
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Due to Other Funds	\$ -	-	-	-
Total Liabilities	-	-	-	-
<i>Fund Balances</i>				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	-	-	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	-	-	-	-
Total Liabilities and Fund Balances	\$ -	-	-	-

The accompanying notes are an integral part of these financial statements

Title XIX Medicaid 25153	SB-9 Capital Improvements 31700	La Jicarita Community School Foundation	Total
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds	\$ -
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.	169,348
Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	(11,401)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(484,320)
Net Position (Deficit)-Total Governmental Activities	<u><u>\$ (326,373)</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Federal Charter Planning 24146
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	-	-	-	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	12,878	-	-	-
Central Services	13,206	-	-	-
Operation & Maintenance of Plant	10,913	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>36,997</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(36,997)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in (out)	(1,242)	-	1,242	-
Distribution to the New Mexico Public Education Department	(20,165)	(2,022)	-	(115)
Total other financing sources (uses)	<u>(21,407)</u>	<u>(2,022)</u>	<u>1,242</u>	<u>(115)</u>
Net Changes in Fund Balances	<u>(58,404)</u>	<u>(2,022)</u>	<u>1,242</u>	<u>(115)</u>
Fund Balances (Deficit) - Beginning of Year	<u>58,404</u>	<u>2,022</u>	<u>(1,242)</u>	<u>115</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (77,270)**

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

The School contributed playground equipment and a copier to the
Penasco Independent School District related to the School closing after
the 2015-2016 School year. The equipment had a net book value of
\$71,699, and is not reported in the funds. (71,699)

The School recorded a loss on the impairment of buildings and building
improvements related to the school closing after the 2015-2016 School
year. The building and building improvements had a net book value of
\$151,753, and is not reported in the funds. (151,753)

The School recorded a gain on the extinguishment of debt as a result of
the School closing after the 2015-2016 School year and the Foundation
defaulting on the debt. The Charter School Development Corporation
foreclosed on the property in December 2016. Long-term debt is not
reported in the funds. 395,050

Changes in deferred outflows of resources-pension related,
deferred inflows of resources-pension related, and the net
pension liability. (153,273)

Change in Net Position-Total Governmental Activities **\$ (58,945)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ -
Total Assets	<u>\$ -</u>
LIABILITIES	
Deposits Held for Others	\$ -
Total Liabilities	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
ASSETS				
Cash in Bank	\$ 365	-	365	-
Total Assets	<u>\$ 365</u>	<u>-</u>	<u>365</u>	<u>-</u>
LIABILITIES				
Deposits Held for Others	\$ 365	-	365	-
Total Liabilities	<u>\$ 365</u>	<u>-</u>	<u>365</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. La Jicarita Community School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. La Jicarita Community School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. La Jicarita Community School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Building Improvements	15 years
Furniture, Fixtures and Equipment	3-15 years

Capital assets for La Jicarita Community School are recorded in the Statement of Net Position.

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and building improvements	\$ 194,712	-	(194,712)	-
Equipment	88,193	-	(88,193)	-
<i>Total</i>	282,905	-	(282,905)	-
<i>Less: Accumulated Depreciation</i>				
Buildings and building improvements	(42,959)	-	42,959	-
Equipment	(16,494)	-	16,494	-
<i>Total</i>	(59,453)	-	59,453	-
Net Capital Assets	\$ 223,452	-	223,452	-

La Jicarita Community School wrote-off building and building improvements as school year 2015 – 2016 was the final year of operation of the School, which resulted in the Foundation defaulting on its note payable with the Charter School Development Corporation. The Charter School Development Corporation foreclosed on the building and building improvements in December 2016. La Jicarita Community School recognized a loss related to these assets in the amount of \$151,753. Additionally, equipment consisting of a copier machine and playground equipment was contributed to the Penasco Independent School District. La Jicarita Community School recognized a loss related to contribution of these assets in the amount of \$71,699.

NOTE 3. LONG-TERM DEBT

In May 2013, the La Jicarita Community Foundation entered into a note payable agreement with the Charter School Development Corporation to finance the purchase of land and to make various land improvements. The note has an annual interest rate of 7% and a maturity date of July 2018. However, due to the closing of the School in June 2016 the land and associated improvements reverted back to the lender in July 2016 and the last payment by the Foundation on the note occurred in June 2016. The total amount owed at June 30, 2016 was \$395,050. No additional payments were made on this note and the lender foreclosed on the property in December 2016. As a result of the Charter School Development Corporation foreclosing on the property, the School has recognized a gain on the extinguishment of the associated debt in the amount of \$395,050.

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to La Jicarita Community School and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD – (CONTINUED)

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, La Jicarita Community School paid employee and employer contributions of \$0 and \$26,702.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, La Jicarita Community School reported a liability of \$484,320 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016.

La Jicarita Community School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, La Jicarita Community School’s proportion was 0.00673% which was an increase of 0.0009% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, La Jicarita Community School recognized pension expense of \$153,429. At June 30, 2017, La Jicarita Community School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,101	(4,606)
Changes in assumptions	9,859	-
Net difference between projected and actual earnings on pension plan investments	28,910	-
Changes in proportion and differences between La Jicarita Community School's contributions and proportionate share of contributions	<u>128,478</u>	<u>(6,795)</u>
Total	<u>\$ 169,348</u>	<u>(11,401)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense during fiscal year 2018, as the School closed effective June 30, 2016 and will be an inactive employer for the year ended June 30, 2017 (the next measurement date).

Sensitivity of La Jicarita Community School's proportionate share of the net pension liability to changes in the discount rate. The following presents La Jicarita Community School's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what La Jicarita Community 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:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
La Jicarita Community School's proportionate share of the net pension liability	<u>\$ 641,471</u>	<u>484,320</u>	<u>353,929</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_Reports.html.

NOTE 5. SCHOOL CLOSURE

The school year ending June 30, 2016 was the final year of operation of La Jicarita Community School. During fiscal year 2017 the New Mexico Public Education Department (PED) closed out the school's governmental and agency funds, which resulted in the distribution of remaining cash in the amount of \$39,334 from the School to PED.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.01%	0.01%	0.01%
School's Proportionate Share of Net Pension Liability (Asset)	\$	484	378	345
School's Covered-Employee Payroll	\$	184	159	167
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	237.74%	206.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for La Jicarita Community School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Schedule of School Contributions
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	2015	2016	2017
Statutory required contributions	\$ 26	23	-
Contributions in Relation to the Contractually Required Contribution	23	23	-
Annual contribution deficiency (excess)	\$ 3	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for La Jicarita Community School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

LA PROMESA EARLY LEARNING CENTER

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 409,464
Receivables	
Due from Other Governments	180,873
Prepaid Expenditures	17,146
Total Current Assets	<u>607,483</u>

Noncurrent Assets:

Capital Assets	
Land	1,402,136
Building and Improvements	9,131,947
Furniture, Fixtures, and Equipment	204,445
Less: Accumulated Depreciation	<u>(1,706,261)</u>
Total Noncurrent Assets	<u>9,032,267</u>
Total Assets	<u>9,639,750</u>

Deferred Outflows - Pension Related

1,018,776

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	24,405
Accrued Liabilities	9,231
Current Portion of Long-Term Debt	9,283
Total Current Liabilities	<u>42,919</u>

Noncurrent Liabilities:

Long-Term Debt	7,576,584
Net Pension Liability	<u>4,548,146</u>
Total Noncurrent Liabilities	<u>12,124,730</u>
Total Liabilities	<u>12,167,649</u>

Deferred Inflows - Pension Related

43,259

NET POSITION (DEFICIT)

Investment in Capital Assets	1,446,400
Restricted	873,606
Unrestricted (Deficit)	<u>(3,872,388)</u>
Total Net Position (Deficit)	<u>\$ (1,552,382)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 2,632,619	18,342	1,130,044	-	(1,484,233)
Support Services:					
Students	292,583	-	-	-	(292,583)
Instruction	4,971	-	-	-	(4,971)
General Administration	85,001	-	-	-	(85,001)
School Administration	395,354	-	-	-	(395,354)
Central Services	130,694	-	-	-	(130,694)
Operation & Maintenance of Plant	744,470	-	-	-	(744,470)
Community Services Operations	18,999	-	-	-	(18,999)
Other Support Services	50	-	-	-	(50)
Student Transportation	132,601	-	78,778	-	(53,823)
Food Services	331,311	296	358,057	-	27,042
Facilities Materials, Supplies & Other Services	1,163,190	-	-	272,387	(890,803)
Total Governmental Activities	\$ 5,931,843	18,638	1,566,879	272,387	(4,073,939)
General Revenues:					
Property Taxes					\$ 349,334
State Equalization Guarantee					2,734,410
Miscellaneous					592,000
Total General Revenues					<u>3,675,744</u>
Change in Net Position					(398,195)
Net Position (Deficit) - Beginning of Year					<u>(1,154,187)</u>
Net Position (Deficit) - Ending					<u>\$ (1,552,382)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
ASSETS			
Cash and Cash Equivalents	\$ -	-	-
Accounts Receivable			
Due from Government	38,546	-	-
Due from Other Funds	-	-	29,856
Prepaid Expenditures	-	-	-
Total Assets	\$ 38,546	-	29,856
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 24,405	-	-
Accrued Expenditures	5,455	-	-
Due to Other Funds	128,622	-	-
Total Liabilities	158,482	-	-
Fund Balances (Deficit)			
Fund Balance:			
Restricted for:			
Instruction	-	-	29,856
Student Transportation	-	-	-
Capital Improvements	-	-	-
Unassigned (Deficit)	(119,936)	-	-
Total Fund Balance (Deficit)	(119,936)	-	29,856
Total Liabilities and Fund Balances (Deficit)	\$ 38,546	-	29,856

Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Fresh Fruit & Vegetables 24118	English Language Acquisition 24153	Teacher Principal Training 24154
-	-	-	-	-	-
-	31,174	11,056	8,134	3,910	5,872
37,224	-	-	-	-	-
1,106	-	5,435	-	-	2,496
<u>38,330</u>	<u>31,174</u>	<u>16,491</u>	<u>8,134</u>	<u>3,910</u>	<u>8,368</u>
-	-	-	-	-	-
-	3,580	-	-	-	-
-	27,594	16,491	8,134	3,910	8,368
-	31,174	16,491	8,134	3,910	8,368
38,330	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>38,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>38,330</u>	<u>31,174</u>	<u>16,491</u>	<u>8,134</u>	<u>3,910</u>	<u>8,368</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Title XIX Medicaid 0-2 Years 25152	Elementary & Middle School Initiative 26177	ABC Community Schools Partnership 26186
ASSETS			
Cash and Cash Equivalents	\$ -	-	-
Accounts Receivable			
Due from Government	-	-	9,488
Due from Other Funds	3,078	-	-
Prepaid Expenditures	-	216	-
Total Assets	\$ 3,078	216	9,488
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	-	-
Accrued Expenditures	-	-	196
Due to Other Funds	-	17,790	9,292
Total Liabilities	-	17,790	9,488
Fund Balances (Deficit)			
Fund Balance:			
Restricted for:			
Instruction	3,078		-
Capital Improvements	-	-	-
Unassigned (Deficit)	-	(17,574)	-
Total Fund Balance (Deficit)	3,078	(17,574)	-
Total Liabilities and Fund Balances (Deficit)	\$ 3,078	216	9,488

New Mexico Reads to Lead K-3 27114	Pre-K Initiative 27149	K-3 Plus 27166	Afterschool Enrichment Program 27168	2013 Pre-K Classrooms 27177	NM Grown FVV 27183
-	-	-	-	-	-
-	54,950	-	-	10,001	-
-	-	-	-	-	-
<u>7,114</u>	<u>416</u>	<u>-</u>	<u>96</u>	<u>-</u>	<u>-</u>
<u>7,114</u>	<u>55,366</u>	<u>-</u>	<u>96</u>	<u>10,001</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,114</u>	<u>55,650</u>	<u>110,518</u>	<u>14,474</u>	<u>34,237</u>	<u>-</u>
<u>7,114</u>	<u>55,650</u>	<u>110,518</u>	<u>14,474</u>	<u>34,237</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>(284)</u>	<u>(110,518)</u>	<u>(14,378)</u>	<u>(24,236)</u>	<u>-</u>
<u>-</u>	<u>(284)</u>	<u>(110,518)</u>	<u>(14,378)</u>	<u>(24,236)</u>	<u>-</u>
<u>7,114</u>	<u>55,366</u>	<u>-</u>	<u>96</u>	<u>10,001</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Teacher & School Leader Incentive Pay 27188	Public School Capital Outlay 31200	Special Capital Outlay-State 31400
ASSETS			
Cash and Cash Equivalents	\$ -	-	-
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	-	-	-
Prepaid Expenditures	267	-	-
Total Assets	\$ 267	-	-
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	-	-
Accrued Expenditures	-	-	-
Due to Other Funds	267	12,833	57,454
Total Liabilities	267	12,833	57,454
Fund Balances (Deficit)			
Fund Balance:			
Restricted for:			
Instruction	-	-	-
Capital Improvements	-	(12,833)	(57,454)
Unassigned (Deficit)	-	-	-
Total Fund Balance (Deficit)	-	(12,833)	(57,454)
Total Liabilities and Fund Balances (Deficit)	\$ 267	-	-

HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Foundation	Total
82,988	216,364	99,271	10,841	409,464
5,182	-	2,560	-	180,873
442,590	-	-	-	512,748
-	-	-	-	17,146
<u>530,760</u>	<u>216,364</u>	<u>101,831</u>	<u>10,841</u>	<u>1,120,231</u>
-	-	-	-	24,405
-	-	-	-	9,231
-	-	-	-	512,748
-	-	-	-	546,384
-	-	-	-	71,264
-	-	-	-	-
530,760	216,364	101,831	10,841	802,342
-	-	-	-	(299,759)
<u>530,760</u>	<u>216,364</u>	<u>101,831</u>	<u>10,841</u>	<u>573,847</u>
<u>530,760</u>	<u>216,364</u>	<u>101,831</u>	<u>10,841</u>	<u>1,120,231</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 573,847**

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

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

Capital Assets	10,738,528	
Accumulated Depreciation	(1,706,261)	
	9,032,267	9,032,267

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		1,018,776
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Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		
Long-Term Debt		(7,585,867)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(43,259)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds		(4,548,146)
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Net Position-Total Governmental Activities **\$ (1,552,382)**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	205,658	-	-
State Grant	2,734,410	78,778	24,421
Federal Grant	-	-	-
Charges for Services	18,342	-	-
Miscellaneous Income	-	-	-
Total Revenues	<u>2,958,410</u>	<u>78,778</u>	<u>24,421</u>
EXPENDITURES			
Current:			
Instruction	1,577,563	-	17,984
Support Services:			
Students	130,353	-	-
Instruction	4,971	-	-
General Administration	85,001	-	-
School Administration	301,742	-	-
Central Services	110,782	-	-
Operation & Maintenance of Plant	736,586	-	-
Student Transportation	30,250	102,351	-
Other Support Services Operations	50	-	-
Food Services Operations	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>2,977,298</u>	<u>102,351</u>	<u>17,984</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(18,888)</u>	<u>(23,573)</u>	<u>6,437</u>
OTHER FINANCING SOURCES (USES):			
Transfer in	-	-	-
Transfer out	(64,192)	-	-
Net Changes in Fund Balances	<u>(83,080)</u>	<u>(23,573)</u>	<u>6,437</u>
Fund Balances(Deficit) - Beginning of Year	<u>(36,856)</u>	<u>23,573</u>	<u>23,419</u>
Fund Balances (Deficit) - End of Year	<u>\$ (119,936)</u>	<u>-</u>	<u>29,856</u>

Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Fresh Fruit & Vegetables 24118	English Language Acquisition 24153	Teacher Principal Training 24154
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
358,057	165,622	70,311	8,134	3,910	22,115
296	-	-	-	-	-
-	-	-	-	-	-
<u>358,353</u>	<u>165,622</u>	<u>70,311</u>	<u>8,134</u>	<u>3,910</u>	<u>22,115</u>
-	74,421	59,255	-	3,910	20,000
-	90,826	11,056	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	375	-	-	-	2,115
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
314,977	-	-	8,134	-	-
-	-	-	-	-	-
<u>314,977</u>	<u>165,622</u>	<u>70,311</u>	<u>8,134</u>	<u>3,910</u>	<u>22,115</u>
<u>43,376</u>	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>43,376</u>	-	-	-	-	-
<u>(5,046)</u>	-	-	-	-	-
<u>38,330</u>	-	-	-	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - Continued
Governmental Funds
For The Year Ended June 30, 2017

	Title XIX Medicaid 0-2 Years 25152	Elementary & Middle School Initiative 26177	ABC Community Schools Partnership 26186
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	-	-	-
State Grant	-	-	9,488
Federal Grant	13,437	-	-
Charges for Services	-	-	-
Miscellaneous Income	-	-	-
Total Revenues	<u>13,437</u>	<u>-</u>	<u>9,488</u>
EXPENDITURES			
Current:			
Instruction	-	-	9,488
Support Services:			
Students	10,359	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services Operations	-	-	-
Food Services Operations	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>10,359</u>	<u>-</u>	<u>9,488</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>3,078</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Transfer in	-	-	-
Transfer out	-	-	-
Net Changes in Fund Balances	<u>3,078</u>	<u>-</u>	<u>-</u>
Fund Balances(Deficit) - Beginning of Year	<u>-</u>	<u>(17,574)</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 3,078</u>	<u>\$ (17,574)</u>	<u>\$ -</u>

New Mexico Reads to Lead K-3 27114	Pre-K Initiative 27149	K-3 Plus 27166	Afterschool Enrichment Program 27168	2013 Pre-K Classrooms 27177	NM Grown FVV 27183
-	-	-	-	-	-
-	-	-	-	-	-
-	262,277	254,896	-	36,487	990
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	262,277	254,896	-	36,487	990
-	260,610	229,016	-	-	-
-	-	14,752	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	29,993	-	-	-
-	-	11,214	-	-	-
-	-	2,907	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,177	-	-	990
-	-	-	-	60,723	-
-	260,610	292,059	-	60,723	990
-	1,667	(37,163)	-	(24,236)	-
-	41,451	-	22,741	-	-
-	-	-	-	-	-
-	43,118	(37,163)	22,741	(24,236)	-
-	(43,402)	(73,355)	(37,119)	-	-
-	(284)	(110,518)	(14,378)	(24,236)	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - Continued
Governmental Funds
For The Year Ended June 30, 2017

	Teacher & School Leader Incentive Pay 27188	Public School Capital Outlay 31200	Special Capital Outlay-State 31400
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	-	-	-
State Grant	52,298	261,001	-
Federal Grant	-	-	-
Charges for Services	-	-	-
Miscellaneous Income	-	-	-
Total Revenues	<u>52,298</u>	<u>261,001</u>	<u>-</u>
EXPENDITURES			
Current:			
Instruction	52,298	-	-
Support Services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services Operations	-	-	-
Food Services Operations	-	-	-
Capital Outlay	-	261,001	-
Total Expenditures	<u>52,298</u>	<u>261,001</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Transfer in	-	-	-
Transfer out	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances(Deficit) - Beginning of Year	<u>-</u>	<u>(12,833)</u>	<u>(57,454)</u>
Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>(12,833)</u>	<u>(57,454)</u>

HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Foundation	Total
233,319	-	116,015	-	349,334
-	-	-	-	205,658
-	11,386	-	-	3,726,432
-	-	-	-	641,586
-	-	-	-	18,638
-	-	-	592,000	592,000
<u>233,319</u>	<u>11,386</u>	<u>116,015</u>	<u>592,000</u>	<u>5,533,648</u>
-	-	-	-	2,304,545
-	-	-	-	257,346
-	-	-	-	4,971
-	-	-	-	85,001
-	-	-	-	334,225
-	-	-	-	121,996
-	-	-	-	739,493
-	-	-	-	132,601
-	-	-	-	50
-	-	-	-	328,278
38,895	-	14,184	623,353	998,156
<u>38,895</u>	<u>-</u>	<u>14,184</u>	<u>623,353</u>	<u>5,306,662</u>
<u>194,424</u>	<u>11,386</u>	<u>101,831</u>	<u>(31,353)</u>	<u>226,986</u>
-	-	-	-	64,192
-	-	-	-	(64,192)
<u>194,424</u>	<u>11,386</u>	<u>101,831</u>	<u>(31,353)</u>	<u>226,986</u>
<u>336,336</u>	<u>204,978</u>	<u>-</u>	<u>42,194</u>	<u>346,861</u>
<u>530,760</u>	<u>\$ 216,364</u>	<u>\$ 101,831</u>	<u>10,841</u>	<u>573,847</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance-Total Governmental Funds **\$ 226,986**

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

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 capital outlay exceeds depreciation for the period

Capital Outlays	118,192	
Depreciation Expense	(302,097)	
	(183,905)	(183,905)

The issuance of long-term debt (e.g., bonds, notes, leases) provide 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.

Payments on Long-Term Debt		8,658
----------------------------	--	-------

Changes in deferred outflows resources-pension related, deferred inflows of resources-pension related and the net pesnsion liability		(449,934)
--	--	-----------

Change in Net Position-Total Governmental Activities		\$ (398,195)
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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency</u> <u>Funds</u>
ASSETS	
Cash in Bank	\$ 10,725
Total Assets	<u>\$ 10,725</u>
LIABILITIES	
Deposits Held for Others	\$ 10,725
Total Liabilities	<u>\$ 10,725</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 3,607	9,961	(2,843)	10,725
Total Assets	<u>\$ 3,607</u>	<u>9,961</u>	<u>(2,843)</u>	<u>10,725</u>
LIABILITIES				
Deposits Held for Others	\$ 3,607	9,961	(2,843)	10,725
Total Liabilities	<u>\$ 3,607</u>	<u>9,961</u>	<u>(2,843)</u>	<u>10,725</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. La Promesa Early Learning Center’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. La Promesa Early Learning Center does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. La Promesa Early Learning Center utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for La Promesa Early Learning Center are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets not being Depreciated:</i>			
Land	\$ 1,402,136	-	1,402,136
Total	<u>1,402,136</u>	<u>-</u>	<u>1,402,136</u>
<i>Capital Assets being Depreciated:</i>			
Furniture, Fixtures and Equipment	204,445	-	204,445
Building and Improvements	<u>9,013,755</u>	<u>118,192</u>	<u>9,131,947</u>
Total	<u>9,218,200</u>	<u>118,192</u>	<u>9,336,392</u>
<i>Less: Accumulated Depreciation</i>			
Furniture, Fixtures and Equipment	(82,136)	(42,049)	(124,185)
Building and Improvements	<u>(1,322,028)</u>	<u>(260,048)</u>	<u>(1,582,076)</u>
Total	<u>(1,404,164)</u>	<u>(302,097)</u>	<u>(1,706,261)</u>
<i>Capital Assets, Net</i>	<u>\$ 9,216,172</u>	<u>(183,905)</u>	<u>9,032,267</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$ 2,203
Facilities, Materials, Supplies & Other Services	<u>299,894</u>
	<u>\$ 302,097</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

La Promesa Early Learning Center leased equipment and facilities under long-term cancelable operating leases. Rental expenses for the year ended June 30, 2017 was \$588,900. La Promesa Early Learning Center's minimum future payments on this lease are as follows:

Year Ending June 30:	
2018	636,000
2019	636,000
2020	540,000
2021	-
Total	<u><u>\$ 1,812,000</u></u>

In May 2013, The Early Learning Solutions Foundation Inc. entered into a note agreement to purchase land and buildings for the school.

Note Payable to lender secured by land and building. Interest at lender's rate 4.334% per annum, compounded monthly for the first year and 7% per annum compounded monthly, thereafter. Due in monthly installments of \$38,710 for the first twelve months and \$51,486 per month through February 28, 2015 and \$45,000 thereafter. The note matures on April 26, 2019, with a balloon payment due at that date. Principal payments for the year ended June 30, 2017 were \$8,658.

	\$ 7,585,867
less: current maturities	<u>(9,283)</u>
	<u><u>\$ 7,576,584</u></u>

The aggregate amounts of principal maturities of note payable are as follows:

2018	9,283
2019	<u>7,576,584</u>
Total	<u><u>\$ 7,585,867</u></u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Notes to the Financial Statements
June 30, 2017**

NOTE 4. DEFICIT FUND BALANCE

The following funds had a deficit fund balance at June 30, 2017:

Operational - 11000	\$ 119,936
Elementary & Middle School Initiative - 26177	17,574
Pre-K initiative - 27149	284
K-3 Plus - 27166	110,518
Afterschool Enrichment Program - 27168	14,378
2013 Pre-K Classrooms - 27177	24,236
Public School Capital Outlay - 31200	12,833
Special Capital Outlay -State - 31400	57,454

La Promesa Early Learning Center is addressing the negative fund balances and is planning on taking the appropriate actions to eliminate the negative balances.

NOTE 5. RELATED PARTY TRANSACTIONS

La Promesa Early Learning Center created a Foundation to purchase a school facility. The Foundation is considered a component unit of the La Promesa Early Learning Center and is presented as a blended component unit.

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to La Promesa Early Learning Center and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions – For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, La Promesa Early Learning Center paid employee and employer contributions of \$298,716 and \$256,609, which equal the amount of the required contributions for each fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, La Promesa Early Learning Center reported a liability of \$4,548,146 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

La Promesa Early Learning Center’s proportion of the net pension liability was based on a projection of La Promesa Early Learning Center’s long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2016 La Promesa Early Learning Center’s proportion was 0.06320%, which was an increase of .00094% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, La Promesa Early Learning Center’s recognized pension expense is \$744,333. At June 30, 2017, La Promesa Early Learning Center reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 19,732	(43,259)
Changes in assumptions	92,582	-
Net difference between projected and actual earnings on pension plan investments	271,486	-
Changes in proportion and differences between La Promesa Early Learning Center’s contributions and proportionate share of contributions	336,260	-
La Promesa Early Learning Center’s contributions subsequent to the measurement date	<u>298,716</u>	<u>-</u>
Total	<u>\$ 1,018,776</u>	<u>(43,259)</u>

The amount of \$298,716 reported as deferred outflows of resources related to pensions resulting from La Promesa Early Learning Center’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 362,504
2019	107,252
2020	140,840
2021	<u>66,205</u>
Total	<u>\$ 676,801</u>

Sensitivity of La Promesa Early Learning Center’s proportionate share of the net pension liability to changes in the discount rate. The following presents La Promesa Early Learning Center’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what La Promesa Early Learning Center’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:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
La Promesa Early Learning Center’s proportionate share of the net pension liability	\$ <u>6,023,914</u>	<u>4,548,146</u>	<u>3,323,676</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, La Promesa Early Learning Center’s accrued liability due to ERB was \$45,222.

NOTE 7. BUDGETARY OVERAGE

La Promesa Early Learning Center has expended in excess of the budget in the following funds and functions:

Operational (Fund 11000)	
Support Services (Function 2000)	<u>\$205,184</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.06%	6.00%	6.00%
School's Proportionate Share of Net Pension Liability (Asset)	\$	4,548	4,033	3,508
School's Covered-Employee Payroll	\$	1,854	1,700	1,695
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		245.28%	237.24%	207.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for La Promesa Early Learning Center is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Statutory required contributions	\$ 281	257	299
Contributions in Relation to the Contractually Required Contribution	246	257	299
Annual contribution deficiency (excess)	\$ 35	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for La Promesa Early Learning Center is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Local & County Grant	\$ -	47,220	64,034	16,814
State Grant	2,823,216	2,734,414	2,734,410	(4)
Charges for Services	25,000	25,000	18,342	(6,658)
Total Revenues	<u>2,848,216</u>	<u>2,806,634</u>	<u>2,816,786</u>	<u>10,152</u>
EXPENDITURES				
Current:				
Instruction	1,601,496	1,720,177	1,643,262	76,915
Support Services:				
Students	331,533	171,010	189,139	(18,129)
General Administration	23,500	24,300	85,743	(61,443)
School Administration	321,736	321,736	305,706	16,030
Central Services	150,624	131,647	111,048	20,599
Operation & Maintenance of Plant	390,827	581,824	744,065	(162,241)
Food Services Operations	-	-	-	-
Total Expenditures	<u>2,848,216</u>	<u>2,979,194</u>	<u>3,114,154</u>	<u>(134,960)</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>(172,560)</u>	<u>(297,368)</u>	<u>(124,808)</u>
Net Changes in Fund Balances	<u>-</u>	<u>(172,560)</u>	<u>(297,368)</u>	<u>(124,808)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(36,856)</u>	<u>(36,856)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(172,560)</u>	<u>(334,224)</u>	<u>(161,664)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (297,368)	
Adjustments to Revenues			77,432	
Adjustments to Expenditures			136,856	
NET CHANGE IN FUND BALANCE			<u>\$ (83,080)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ 87,896	78,778	78,778	-
Total Revenues	<u>87,896</u>	<u>78,778</u>	<u>78,778</u>	<u>-</u>
EXPENDITURES				
Current:				
Student Transportation	87,896	78,778	78,778	-
Total Expenditures	<u>87,896</u>	<u>78,778</u>	<u>78,778</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>23,573</u>	<u>23,573</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>23,573</u>	<u>23,573</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>(23,573)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (23,573)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 20,427	18,375	24,421	6,046
Total Revenues	<u>20,427</u>	<u>18,375</u>	<u>24,421</u>	<u>6,046</u>
EXPENDITURES				
Current:				
Instruction	20,427	18,375	17,984	391
Total Expenditures	<u>20,427</u>	<u>18,375</u>	<u>17,984</u>	<u>391</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>6,437</u>	<u>6,437</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>6,437</u>	<u>6,437</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>23,419</u>	<u>23,419</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>29,856</u>	<u>29,856</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 6,437	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 6,437</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Federal Grant	\$ 450,000	450,000	358,057	(91,943)
Charges for Services	-	-	296	296
Total Revenues	<u>450,000</u>	<u>450,000</u>	<u>358,353</u>	<u>(91,647)</u>
EXPENDITURES				
Current:				
Food Services Operations	450,000	450,000	314,977	135,023
Total Expenditures	<u>450,000</u>	<u>450,000</u>	<u>314,977</u>	<u>135,023</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	43,376	43,376
Net Changes in Fund Balances	-	-	43,376	43,376
Cash or Fund Balances - Beginning of Year	-	-	(5,046)	(5,046)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>38,330</u>	<u>38,330</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 43,376	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 43,376</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Federal Grant	\$ 170,284	190,430	198,543	8,113
Total Revenues	<u>170,284</u>	<u>190,430</u>	<u>198,543</u>	<u>8,113</u>
EXPENDITURES				
Current:				
Instruction	99,398	97,570	74,424	23,146
Support Services:				
Students	50,122	92,485	90,826	1,659
Total Expenditures	<u>170,284</u>	<u>190,430</u>	<u>165,625</u>	<u>24,805</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	32,918	32,918
Net Changes in Fund Balances	-	-	32,918	32,918
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>32,918</u>	<u>32,918</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 32,918	
Adjustments to Revenues			(32,918)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Federal Grant	\$ 59,255	70,311	73,762	3,451
Total Revenues	<u>59,255</u>	<u>70,311</u>	<u>73,762</u>	<u>3,451</u>
EXPENDITURES				
Current:				
Instruction	59,255	59,255	59,255	-
Support Services:				
Students	-	11,056	11,056	-
Total Expenditures	<u>59,255</u>	<u>70,311</u>	<u>70,311</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	3,451	3,451
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,451</u>	<u>3,451</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,451</u>	<u>3,451</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 3,451	
Adjustments to Revenues			(3,451)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Fresh Fruit & Vegetables 24118
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Local & County Grant	\$ -	-	7,391	7,391
Federal Grant	-	18,569	-	(18,569)
Total Revenues	<u>-</u>	<u>18,569</u>	<u>7,391</u>	<u>(11,178)</u>
EXPENDITURES				
Current:				
Food Services Operations	-	18,569	8,134	10,435
Total Expenditures	<u>-</u>	<u>18,569</u>	<u>8,134</u>	<u>10,435</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(743)</u>	<u>(743)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(743)</u>	<u>(743)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(743)</u>	<u>(743)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (743)	
Adjustments to Revenues			743	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
English Language Acquisition 24153
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Federal Grant	\$ 25,317	28,675	2,432	(26,243)
Total Revenues	<u>25,317</u>	<u>28,675</u>	<u>2,432</u>	<u>(26,243)</u>
EXPENDITURES				
Current:				
Instruction	23,386	26,744	3,910	22,834
Total expenditures	<u>23,386</u>	<u>26,744</u>	<u>3,910</u>	<u>22,834</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(1,478)	(1,478)
Net changes in Fund Balances	-	-	(1,478)	(1,478)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,478)</u>	<u>(1,478)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (1,478)	
Adjustments to Revenues			1,478	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Federal Grant	\$ 26,331	26,331	25,460	(871)
Total Revenues	<u>26,331</u>	<u>26,331</u>	<u>25,460</u>	<u>(871)</u>
EXPENDITURES				
Current:				
Instruction	20,000	20,000	20,000	-
Support Services:				
School Administration	6,331	6,331	2,116	4,215
Total expenditures	<u>6,331</u>	<u>6,331</u>	<u>2,116</u>	<u>4,215</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	3,344	3,344
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,344</u>	<u>3,344</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,344</u>	<u>3,344</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 3,344	
Adjustments to Revenues			(3,344)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 0-2 Years 25152
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	10,359	13,437	3,078
Total Revenues	<u>-</u>	<u>10,359</u>	<u>13,437</u>	<u>3,078</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	10,359	10,359	-
Total Expenditures	<u>-</u>	<u>10,359</u>	<u>10,359</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	3,078	3,078
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,078</u>	<u>3,078</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,078</u>	<u>3,078</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 3,078	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 3,078</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Elementary & Middle School Initiative 26177
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Local & County Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>(17,574)</u>	<u>(17,574)</u>	<u>(17,574)</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (17,574)</u>	<u>(17,574)</u>	<u>(17,574)</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
ABC Community Schools Partnership 26186
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ -	10,000	-	(10,000)
Total Revenues	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
EXPENDITURES				
Current:				
Instruction	-	10,000	9,488	512
Total Expenditures	<u>-</u>	<u>10,000</u>	<u>9,488</u>	<u>512</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,488)</u>	<u>(9,488)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(9,488)</u>	<u>(9,488)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(9,488)</u>	<u>(9,488)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (9,488)	
Adjustments to Revenues			9,488	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Reads to Lead K-3 27114
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Local & County Grant	\$ -	-	16,198	16,198
Total Revenues	-	-	16,198	16,198
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	16,198	16,198
Net Changes in Fund Balances	-	-	16,198	16,198
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	16,198	16,198
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 16,198	
Adjustments to Revenues			(16,198)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Pre-K Initiative 27149
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Local & County Grant	\$ -	-	160,645	160,645
State Grant	-	301,382	207,327	(94,055)
Total Revenues	<u>-</u>	<u>301,382</u>	<u>367,972</u>	<u>66,590</u>
EXPENDITURES				
Current:				
Instruction	-	301,382	262,278	39,104
Total Expenditures	<u>-</u>	<u>301,382</u>	<u>262,278</u>	<u>39,104</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	105,694	105,694
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>105,694</u>	<u>105,694</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>105,694</u>	<u>105,694</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 105,694	
Adjustments to Revenues			(64,244)	
Adjustments to Expenditures			<u>1,668</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 43,118</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
K-3 Plus 27166
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ -	302,267	254,896	(47,371)
Total Revenues	<u>-</u>	<u>302,267</u>	<u>254,896</u>	<u>(47,371)</u>
EXPENDITURES				
Current:				
Instruction	-	236,854	232,438	4,416
Support Services:				
Students	-	21,270	14,752	6,518
School Administration	-	26,713	29,993	(3,280)
Central Services	-	9,701	11,214	(1,513)
Operation & Maintenance of Plant	-	2,730	2,907	(177)
Food Services Operations	-	4,999	4,177	822
Total Expenditures	<u>-</u>	<u>302,267</u>	<u>295,481</u>	<u>6,786</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(40,585)</u>	<u>(40,585)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(40,585)</u>	<u>(40,585)</u>
Cash or Fund Balances - Beginning of Year	<u>(73,355)</u>	<u>(73,355)</u>	<u>(73,355)</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (73,355)</u>	<u>(73,355)</u>	<u>(113,940)</u>	<u>(40,585)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (40,585)	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>3,422</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (37,163)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Afterschool Enrichment Program 27168
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Local & County Grant	\$ -	-	12,305	12,305
Total Revenues	<u>-</u>	<u>-</u>	<u>12,305</u>	<u>12,305</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>12,305</u>	<u>12,305</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>12,305</u>	<u>12,305</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(37,119)</u>	<u>(37,119)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(24,814)</u>	<u>(24,814)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 12,305	
Adjustments to Revenues			10,436	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 22,741</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
2013 Pre-K Classrooms 27177
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ 91,920	91,920	26,486	(65,434)
Total Revenues	<u>91,920</u>	<u>91,920</u>	<u>83,955</u>	<u>(7,965)</u>
EXPENDITURES				
Current:				
Support Services:				
Capital Outlay	91,920	91,920	60,723	31,197
Total Expenditures	<u>91,920</u>	<u>91,920</u>	<u>60,723</u>	<u>31,197</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	23,232	23,232
Net Changes in Fund Balances	-	-	23,232	23,232
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>23,232</u>	<u>23,232</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 23,232	
Adjustments to Revenues			(47,468)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (24,236)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
NM Grown FVV 27183
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ -	1,000	990	(10)
Total Revenues	<u>-</u>	<u>1,000</u>	<u>1,295</u>	<u>295</u>
EXPENDITURES				
Current:				
Support Services:				
Food Services Operations	-	1,000	990	10
Total Expenditures	<u>-</u>	<u>1,000</u>	<u>990</u>	<u>10</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>305</u>	<u>305</u>
 Net Changes in Fund Balances	 <u>-</u>	 <u>-</u>	 <u>305</u>	 <u>305</u>
 Cash or Fund Balances - Beginning of Year	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>305</u>	<u>305</u>
 Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 305	
Adjustments to Revenues			(305)	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher & School Leader Incentive Pay 27188
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Local & County Grant	\$ -	-	35,734	35,734
State Grant	-	52,509	52,297	(212)
Total Revenues	<u>-</u>	<u>52,509</u>	<u>88,031</u>	<u>35,522</u>
EXPENDITURES				
Current:				
Instruction	-	52,509	52,298	211
Total Expenditures	<u>-</u>	<u>52,509</u>	<u>52,298</u>	<u>211</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	35,733	35,733
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>35,733</u>	<u>35,733</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>35,733</u>	<u>35,733</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 35,733	
Adjustments to Revenues			(35,733)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Local & County Grant	\$ -	-	68,011	68,011
State Grant	-	261,001	261,001	-
Total Revenues	<u>-</u>	<u>261,001</u>	<u>329,012</u>	<u>68,011</u>
EXPENDITURES				
Current:				
Capital Outlay	-	261,001	261,001	-
Total Expenditures	<u>-</u>	<u>261,001</u>	<u>261,001</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	68,011	68,011
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>68,011</u>	<u>68,011</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>68,011</u>	<u>68,011</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 68,011	
Adjustments to Revenues			(68,011)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay-State 31400
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ 237,601	178,372	64,179	(114,193)
Total Revenues	<u>237,601</u>	<u>178,372</u>	<u>64,179</u>	<u>(114,193)</u>
EXPENDITURES				
Current:				
Capital Outlay	237,601	178,372	-	178,372
Total Expenditures	<u>237,601</u>	<u>178,372</u>	<u>-</u>	<u>178,372</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	64,179	64,179
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>64,179</u>	<u>64,179</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(57,454)</u>	<u>(57,454)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>6,725</u>	<u>6,725</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 64,179	
Adjustments to Revenues			(64,179)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Property Taxes	\$ 225,498	225,498	229,364	3,866
Total Revenues	<u>225,498</u>	<u>225,498</u>	<u>229,364</u>	<u>3,866</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	2,255	2,255	-	2,255
Capital Outlay	<u>563,243</u>	<u>563,243</u>	<u>39,115</u>	<u>524,128</u>
Total Expenditures	<u>565,498</u>	<u>565,498</u>	<u>39,115</u>	<u>526,383</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(340,000)</u>	<u>(340,000)</u>	<u>190,249</u>	<u>530,249</u>
Other Financing Sources (Uses):				
Designated Cash	<u>340,000</u>	<u>340,000</u>	<u>-</u>	<u>(340,000)</u>
Total Other Financing Sources (Uses):	<u>340,000</u>	<u>340,000</u>	<u>-</u>	<u>(340,000)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>190,249</u>	<u>190,249</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>336,336</u>	<u>336,336</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>526,585</u>	<u>\$ 526,585</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 190,249	
Adjustments to Revenues			3,955	
Adjustments to Expenditures			<u>220</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 194,424</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Property Taxes	\$ 18,272	27,741	12,014	(15,727)
Total Revenues	<u>18,272</u>	<u>27,741</u>	<u>12,014</u>	<u>(15,727)</u>
EXPENDITURES				
Current:				
Capital Outlay	18,272	27,741	-	27,741
Total Expenditures	<u>18,272</u>	<u>27,741</u>	<u>-</u>	<u>27,741</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	12,014	12,014
Other Financing Sources (Uses):				
Operating transfers	-	-	-	-
Designated Cash	117,407	129,985	-	(129,985)
Total Other Financing Sources (Uses):	<u>117,407</u>	<u>129,985</u>	<u>-</u>	<u>(129,985)</u>
Net Changes in Fund Balances	<u>117,407</u>	<u>129,985</u>	<u>12,014</u>	<u>(117,971)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>204,978</u>	<u>204,978</u>
Cash or Fund Balances - End of Year	<u>\$ 117,407</u>	<u>129,985</u>	<u>216,992</u>	<u>87,007</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 12,014	
Adjustments to Revenues			(628)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 11,386</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Property Taxes	\$ 113,003	\$ 113,003	113,455	452
Total Revenues	<u>113,003</u>	<u>113,003</u>	<u>113,455</u>	<u>452</u>
EXPENDITURES				
Current:				
Capital Outlay	292,491	292,491	14,184	278,307
Total Expenditures	<u>292,491</u>	<u>292,491</u>	<u>14,184</u>	<u>278,307</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(179,488)</u>	<u>(179,488)</u>	<u>99,271</u>	<u>278,759</u>
Other Financing Sources (Uses):				
Operating transfers	-	-	-	-
Designated Cash	117,407	129,985	-	(129,985)
Total Other Financing Sources (Uses):	<u>117,407</u>	<u>129,985</u>	<u>-</u>	<u>(129,985)</u>
Net Changes in Fund Balances	<u>(62,081)</u>	<u>(49,503)</u>	<u>99,271</u>	<u>148,774</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (62,081)</u>	<u>(49,503)</u>	<u>99,271</u>	<u>148,774</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 99,271	
Adjustments to Revenues			2,560	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 101,831</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Bank of New York Mellon	FNMA FNMS 3.000%	31417DAD5	9/1/2042	\$ 30,535
Bank of New York Mellon	FNMA FNMS 3.000%	31417EUE9	2/1/2043	114,437
				<u>\$ 144,972</u>
Total Cash per Schedule of Cash Accounts:				\$ 586,946
Less: FDIC coverage:				<u>(260,841)</u>
Uninsured Public Funds:				326,105
Collateral Requirement:				163,053
Pledged Collateral Held by Pledging Financial Institution:				<u>144,972</u>
Balance Over Collateralized:				<u>\$ (18,081)</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 181,133</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account Wells Fargo	\$ 576,105
Checking - Foundation	<u>10,841</u>
<i>Total on Deposit</i>	586,946
Reconciling Items	<u>(166,757)</u>
Reconciled Balance June 30, 2016	<u>420,189</u>
Less Agency Funds	<u>(10,725)</u>
<i>Total Cash</i>	<u><u>\$ 409,464</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Cash Reconciliation
June 30, 2017

	Operational 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ -	-	-	-
Add:				
2016-17 revenues	2,816,786	78,778	24,421	358,351
Total Cash Available	2,816,786	78,778	24,421	358,351
Less:				
2016-17 expenditures	(3,118,631)	(78,778)	(17,984)	(314,976)
Receivables/Payables	5,455	-	-	-
Outstanding Loans	128,622	-	(29,856)	(37,224)
Cash June 30, 2017	(167,768)	-	(23,419)	6,151
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	167,768	-	23,419	(6,151)
Cash Per Books	-	-	-	-
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(119,936)	-	29,856	38,330
Fund Balance (Deficit), Modified Accrual Basis	\$ (119,936)	-	29,856	38,330

Non-Instruct. Fund 23000	Federal Projects Account 24000	Federal Direct 25000	Local Grants 26000	State Account 27000	Public School Capital Outlay 31200
3,607	-	-	-	-	-
9,961	307,674	13,437	-	827,982	329,012
13,568	307,674	13,437	-	827,982	329,012
(2,843)	(270,095)	(10,359)	(5,010)	(671,769)	(261,001)
-	3,580	-	196	-	-
-	64,497	(3,078)	27,082	222,260	12,833
10,725	105,656	-	22,268	378,473	80,844
-	(105,656)	-	(22,268)	(378,473)	(80,844)
10,725	-	-	-	-	-
(10,725)	-	3,078	(17,574)	(149,416)	(12,833)
-	-	3,078	(17,574)	(149,416)	(12,833)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Cash Reconciliation (Continued)
June 30, 2017

	Special Capital Outlay 31400	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
Cash, June 30, 2016	\$ -	-	-	-	3,607
Add:					
2016-17 revenues	64,179	229,364	12,014	113,455	5,185,414
Total Cash Available	64,179	229,364	12,014	113,455	5,189,021
Less:					
2016-17 expenditures	-	(39,118)	-	(14,184)	(4,804,748)
Receivables/Payables	-	-	-	-	9,231
Outstanding Loans	57,454	(442,590)	-	-	-
Cash June 30, 2017	121,633	(252,344)	12,014	99,271	393,504
Fund Balance Reconciliations to GAAP Basis:					
Audit reclassifications to cash	(121,633)	335,332	204,350	-	15,844
Cash Per Books	-	82,988	216,364	99,271	409,348
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:					(10,725)
Balance Sheet-Foundation:					10,841
					<u>\$ 409,464</u>
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	(57,454)	447,772	-	2,560	153,658
Fund Balance (Deficit), Modified Accrual Basis	\$ (57,454)	530,760	216,364	101,831	563,006
			Add: Foundation:		10,841
					<u>\$ 573,847</u>

LA RESOLANA LEADERSHIP ACADEMY

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 82,451
Receivables	
Due from Other Governments	8,693
	<hr/>
Total Current Assets	91,144
	<hr/>
Total Assets	91,144
	<hr/>

Deferred Outflows - Pension Related

302,553

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	725
Accrued Liabilities	31,005
	<hr/>
Total Current Liabilities	31,730
	<hr/>

Noncurrent Liabilities:

Net Pension Liability	1,252,899
	<hr/>
Total Noncurrent Liabilities	1,252,899
	<hr/>

Total Liabilities

1,284,629

Deferred Inflows - Pension Related

11,917

NET POSITION (DEFICIT)

Restricted	42,428
Unrestricted (Deficit)	(945,277)
	<hr/>
Total Net Position (Deficit)	\$ (902,849)
	<hr/> <hr/>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Program Revenues	Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Outstanding Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 437,872	-	69,170	-	(368,702)
Support Services:					
Students	59,303	-	-	-	(59,303)
Instruction	4,282	-	-	-	(4,282)
General Administration	19,800	-	-	-	(19,800)
School Administration	240,772	-	-	-	(240,772)
Central Services	3,380	-	-	-	(3,380)
Operation & Maintenance of Plant	92,828	-	-	-	(92,828)
Food Services	74,595	39	48,832	-	(25,724)
Facilities Materials, Supplies & Other Services	59,453	-	-	54,663	(4,790)
Total Governmental Activities	\$ 992,285	39	118,002	54,663	(819,581)
General Revenues:					
Property Taxes					\$ 41,562
State Equalization Guarantee					734,740
Total General Revenues					776,302
Change in Net Position					(43,279)
Net Position (Deficit), Beginning					(859,570)
Net Position (Deficit), Ending					<u>\$ (902,849)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
ASSETS and DEFERRED OUTFLOWS			
ASSETS			
Cash and Cash Equivalents	\$ 40,023	1,825	3,831
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	4,471	-	-
Total Assets	44,494	1,825	3,831
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	725	-	-
Accrued Expenditures	26,783	-	-
Due to Other Funds	-	-	-
Total Liabilities	27,508	-	-
Fund Balances (Deficit)			
Fund Balance:			
Restricted for:			
Instruction	-	1,825	-
Food Service Operations	-	-	3,831
Capital Improvements	-	-	-
Unassigned (Deficit)	16,986	-	-
Total Fund Balance (Deficit)	16,986	1,825	3,831
Total Liabilities and Fund Balances	\$ 44,494	1,825	3,831

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

Title I IASA 24101	IDEA-B Entitlement 24106	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700
-	-	-	36,772	-
8,099	594	-	-	-
-	-	-	-	-
<u>8,099</u>	<u>594</u>	<u>-</u>	<u>36,772</u>	<u>-</u>
-	-	-	-	-
4,222	-	-	-	-
3,877	594	-	-	-
<u>8,099</u>	<u>594</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	36,772	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>36,772</u>	<u>-</u>
<u>8,099</u>	<u>594</u>	<u>-</u>	<u>36,772</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Balance Sheets - Governmental Funds
June 30, 2017

	<u>Total Government</u>
ASSETS and DEFERRED OUTFLOWS	
ASSETS	
Cash and Cash Equivalents	\$ 82,451
Accounts Receivable	
Due from Government	8,693
Due from Other Funds	4,471
	<hr/>
Total Assets	95,615
	<hr/> <hr/>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	725
Accrued Expenditures	31,005
Due to Other Funds	4,471
	<hr/>
Total Liabilities	36,201
	<hr/>
Fund Balances (Deficit)	
Fund Balance:	
Restricted for:	
Instruction	1,825
Food Service Operations	3,831
Capital Improvements	36,772
Unassigned (Deficit)	16,986
	<hr/>
Total Fund Balance (Deficit)	59,414
	<hr/> <hr/>
<i>Total Liabilities and Fund Balances</i>	\$ 95,615

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Reconciliation of the Balance Sheets of Governmental
Funds to the Statement of Net Position
June 30, 2017**

Fund Balance (Deficit) - Total Governmental Funds	\$ 59,414
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.	302,553
Long-term liabilities are not due in the current period and, therefore, are not reported in the funds. Net Pension Liability	(1,252,899)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds	<u>(11,917)</u>
Net Position (Deficit) - Total Governmental Activities	<u><u>\$ (902,849)</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	2,562	-	-
State Grant	734,740	3,896	-
Federal Grant	-	-	48,832
Charges for Services	-	-	39
Total Revenues	737,302	3,896	48,871
EXPENDITURES			
Current:			
Instruction	298,860	3,540	-
Support Services:			
Students	55,977	-	-
Instruction	4,282	-	-
General Administration	19,800	-	-
School Administration	198,782	-	-
Central Services	3,380	-	-
Operation & Maintenance of Plant	88,666	-	-
Food Services Operations	19,837	-	49,749
Capital Outlay	-	-	-
Total Expenditures	689,584	3,540	49,749
Net Changes in Fund Balances	47,718	356	(878)
Fund Balances(Deficit) - Beginning of Year	(30,732)	1,469	4,709
Fund Balances (Deficit) - End of Year	\$ 16,986	1,825	3,831

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

Title I IASA 24101	IDEA-B Entitlement 24106	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700
-	-	-	41,562	-
-	-	-	-	-
-	-	53,010	-	1,653
42,365	20,347	-	-	-
-	-	-	-	-
42,365	20,347	53,010	41,562	1,653
42,365	20,347	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	53,010	4,790	1,653
42,365	20,347	53,010	4,790	1,653
-	-	-	36,772	-
-	-	-	-	-
-	-	-	36,772	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Total Government
REVENUES	
Property Taxes	\$ 41,562
Local & County Grant	2,562
State Grant	793,299
Federal Grant	111,544
Charges for Services	39
<i>Total Revenues</i>	949,006
EXPENDITURES	
Current:	
Instruction	365,112
Support Services:	
Students	55,977
Instruction	4,282
General Administration	19,800
School Administration	198,782
Central Services	3,380
Operation & Maintenance of Plant	88,666
Food Services Operations	69,586
Capital Outlay	59,453
<i>Total Expenditures</i>	865,038
<i>Net Changes in Fund Balances</i>	83,968
<i>Fund Balances(Deficit) - Beginning of Year</i>	(24,554)
<i>Fund Balances (Deficit) - End of Year</i>	\$ 59,414

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds	\$ 83,968
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Changes in deferred outflows of resources - pension related, deferred inflows of resources - pension related, and the net pension liability</p>	<p>(127,247)</p>
Change in Net Position-Total Governmental Activities	<u>\$ (43,279)</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 825
Total Assets	<u>825</u>
LIABILITIES	
Deposits Held for Others	825
Total Liabilities	<u>\$ 825</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 2,014	1,530	2,719	825
Total Assets	<u>2,014</u>	<u>1,530</u>	<u>2,719</u>	<u>825</u>
LIABILITIES				
Deposits Held for Others	2,014	1,530	2,719	825
Total Liabilities	<u>\$ 2,014</u>	<u>1,530</u>	<u>2,719</u>	<u>825</u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 1. 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 expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

NOTE 2. DEFICIT FUND BALANCE

La Resolana Leadership Academy Charter School did not have any deficit fund balances for the year ended June 30, 2017.

NOTE 3. RELATED PARTY TRANSACTIONS

The business management services are performed by Vigil Group, which performed services for multiple state charter schools.

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to the La Resolana Leadership Academy and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, La Resolana Leadership Academy paid employee and employer contributions of \$60,111 and \$69,134.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, La Resolana Leadership Academy reported a liability of \$1,252,899 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

The La Resolana Leadership Academy's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, La Resolana Leadership Academy's proportion was 0.01741%, which was an increase of 0.0015 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, La Resolana Leadership Academy recognized pension expense of \$187,700. At June 30, 2017, La Resolana Leadership Academy reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,435	(11,917)
Changes in assumptions	25,504	-
Net difference between projected and actual earnings on pension plan investments	74,788	-
Changes in proportion and differences between La Resolana Leadership Academy contributions and proportionate share of contributions	136,715	-
La Resolana Leadership Academy contributions subsequent to the measurement date	<u>60,111</u>	<u>-</u>
Total	<u>\$ 302,553</u>	<u>(11,917)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$60,111 reported as deferred outflows of resources related to pensions resulting from La Resolana Leadership Academy contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	89,377
2019		67,880
2020		55,030
2021		18,238
Total	\$	<u>230,525</u>

Sensitivity of La Resolana Leadership Academy's proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the (employer's) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current single discount rate.

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
La Resolana Leadership Academy's proportionate share of the net pension liability	\$ <u>1,659,436</u>	<u>1,252,899</u>	<u>915,589</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ended June 30, 2017, La Resolana Leadership Academy School's accrued liability due to ERB was \$9,746 for payroll paid in July 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA RESOLANA LEADERSHIP ACADEMY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

Fiscal Year Measurement Date	30-Jun		
	2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)	0.02%	0.02%	0.01%
School's Proportionate Share of Net Pension Liability (Asset)	\$ 1,253	1,031	829
School's Covered-Employee Payroll	\$ 477	434	401
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	262.68%	237.23%	206.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for La Resolana Leadership Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA RESOLANA LEADERSHIP ACADEMY
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	\$ 63	69	60
Contributions in Relation to the Contractually Required Contribution	<u>63</u>	<u>69</u>	<u>60</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for La Resolana Leadership Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	2,562	2,562
State Grant	710,730	734,740	734,740	-
Total Revenues	710,730	734,740	737,302	2,562
EXPENDITURES				
Current:				
Instruction	279,043	320,057	313,825	6,232
Support Services:				
Students	33,625	60,495	60,093	402
Instruction	3,000	4,955	4,403	552
General Administration	15,231	23,787	23,787	-
School Administration	200,817	205,830	202,782	3,048
Central Services	93,181	22,820	22,685	135
Operation & Maintenance of Plant	64,511	90,030	89,452	578
Other Support Services Operations	21,322	5,000	-	5,000
Food Services Operations	-	21,574	19,837	1,737
Total Expenditures	710,730	754,548	736,864	17,684
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(19,808)	438	20,246
Other Financing Sources (Uses):				
Designated Cash	-	19,808	-	(19,808)
Total Other Financing Sources (Uses):	-	19,808	-	(19,808)
Net Changes in Fund Balances				
	-	-	438	438
Cash or Fund Balances - Beginning of Year				
	-	-	(30,732)	(30,732)
Cash or Fund Balances - End of Year				
	\$ -	-	(30,294)	(30,294)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
Adjustments to Expenditures			47,280	
NET CHANGE IN FUND BALANCE			\$ 47,718	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 3,071	3,259	3,896	637
Total Revenues	3,071	3,259	3,896	637
EXPENDITURES				
Current:				
Instruction	3,071	4,038	3,540	498
Total Expenditures	3,071	4,038	3,540	498
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(779)	356	1,135
Other Financing Sources (Uses):				
Designated Cash	-	779	-	(779)
Total Other Financing Sources (Uses):	-	779	-	(779)
Net Changes in Fund Balances	-	-	356	356
Cash or Fund Balances - Beginning of Year	-	-	1,469	1,469
Cash or Fund Balances - End of Year	\$ -	-	1,825	1,825
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 356	
NET CHANGE IN FUND BALANCE			\$ 356	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 45,000	45,000	48,832	3,832
Charges for Services	-	39	39	-
Total Revenues	45,000	45,039	48,871	3,832
EXPENDITURES				
Current:				
Food Services Operations	45,000	57,485	57,485	-
Total Expenditures	45,000	57,485	57,485	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(12,446)	(8,614)	3,832
Other Financing Sources (Uses):				
Designated Cash	-	12,446	-	(12,446)
Total Other Financing Sources (Uses):	-	12,446	-	(12,446)
Net Changes in Fund Balances	-	-	(8,614)	(8,614)
Cash or Fund Balances - Beginning of Year	-	-	4,709	4,709
Cash or Fund Balances - End of Year	\$ -	-	(3,905)	(3,905)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (8,614)	
Adjustments to Expenditures			7,736	
NET CHANGE IN FUND BALANCE			\$ (878)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 39,224	43,203	41,836	(1,367)
Total Revenues	39,224	43,203	41,836	(1,367)
EXPENDITURES				
Current:				
Instruction	39,224	43,203	42,365	838
Total Expenditures	39,224	43,203	42,365	838
Net Changes in Fund Balances	-	-	(529)	(529)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(529)	(529)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>				
			\$ (529)	
<i>Adjustments to Revenues</i>				
			529	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Entitlement 24106
IDEA-B
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 19,753	20,347	19,753	(594)
Total Revenues	<u>19,753</u>	<u>20,347</u>	<u>19,753</u>	<u>(594)</u>
EXPENDITURES				
Current:				
Instruction	19,753	20,347	20,347	-
Total Expenditures	<u>19,753</u>	<u>20,347</u>	<u>20,347</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(594)</u>	<u>(594)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(594)</u>	<u>(594)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (594)	
<i>Adjustments to Revenues</i>			594	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	53,010	67,919	14,909
<i>Total Revenues</i>	-	53,010	67,919	14,909
EXPENDITURES				
Capital Outlay	-	53,010	53,010	-
<i>Total Expenditures</i>	-	53,010	53,010	-
<i>Net Changes in Fund Balances</i>	-	-	14,909	14,909
<i>Cash or Fund Balances - Beginning of Year</i>	-	-	-	-
<i>Cash or Fund Balances - End of Year</i>	\$ -	-	14,909	14,909
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 14,909	
<i>Adjustments to Revenues</i>			(14,909)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 42,662	42,662	41,562	(1,100)
Total Revenues	42,662	42,662	41,562	(1,100)
EXPENDITURES				
Capital Outlay	42,662	42,662	4,790	37,872
Total Expenditures	42,662	42,662	4,790	37,872
Net Changes in Fund Balances	-	-	36,772	36,772
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	36,772	36,772
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 36,772	
NET CHANGE IN FUND BALANCE			\$ 36,772	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 1,653	3,431	1,653	(1,778)
<i>Total Revenues</i>	<u>1,653</u>	<u>3,431</u>	<u>1,653</u>	<u>(1,778)</u>
EXPENDITURES				
Capital Outlay	1,653	3,431	1,653	1,778
<i>Total Expenditures</i>	<u>1,653</u>	<u>3,431</u>	<u>1,653</u>	<u>1,778</u>
<i>Net Changes in Fund Balances</i>	-	-	-	-
<i>Cash or Fund Balances - Beginning of Year</i>	-	-	-	-
<i>Cash or Fund Balances - End of Year</i>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Resolana Leadership Academy
 Schedule of Collateral Pledged by Depository for Public Funds
 June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
N/A				\$ -
			Total Cash per Schedule of Cash Accounts:	95,817
			Less: FDIC coverage:	(95,817)
			Uninsured Public Funds:	-
			Collateral Requirement:	-
			Pledged Collateral Held by Pledging Financial Institution:	-
			Balance Over Collateralized:	\$ -
			Balance Uninsured and Uncollateralized at June 30, 2017:	\$ -

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	Total
Checking - Operational Account	\$ 95,817
Total on Deposit	95,817
Reconciling Items	(12,541)
Reconciled Balance June 30, 2017	<u>83,276</u>
Less Agency Funds	<u>(825)</u>
Total Cash	<u><u>\$ 82,451</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ -	1,469	6,625
Add:			
2016-17 revenues	737,302	3,896	48,871
Total Cash Available	737,302	5,365	55,496
Less:			
2016-17 expenditures	(736,864)	(3,540)	(57,485)
Receivables/Payables	26,783	-	-
Outstanding Loans	(4,471)	-	-
Cash June 30, 2017	22,750	1,825	(1,989)
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	17,273	-	5,820
Cash Per Books	40,023	1,825	3,831
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	(23,037)	-	-
Fund Balance (Deficit)			
Modified Accrual Basis	\$ 16,986	1,825	3,831

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

Non-Instruct. Fund 23000	Federal Projects Account 24000	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700
2,014	-	-	-	-
1,530	62,897	67,919	41,562	1,653
3,544	62,897	67,919	41,562	1,653
(2,719)	(62,712)	(53,010)	(4,790)	(1,653)
-	4,222	-	-	-
-	4,471	-	-	-
825	8,878	14,909	36,772	-
-	(8,878)	(14,909)	-	-
825	-	-	36,772	-
-	-	-	-	-
825	-	-	36,772	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Cash Reconciliation
June 30, 2017**

	Total Government
Cash, June 30, 2016	\$ 10,108
Add:	
2016-17 revenues	965,630
Total Cash Available	975,738
Less:	
2016-17 expenditures	(922,773)
Receivables/Payables	31,005
Outstanding Loans	-
Cash June 30, 2017	83,970
Fund Balance Reconciliations to GAAP Basis:	
Audit reclassifications to cash	(694)
Cash Per Books	83,276
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:	(825)
	\$ 82,451
Fund Balance Reconciliation to GAAP Basis:	
Modified Accrual Adjustments	(23,037)
Fund Balance (Deficit), Modified Accrual Basis	59,414
	\$ 59,414
Balance Sheets - Governmental Funds:	\$ 59,414

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

LA TIERRA MONTESSORI SCHOOL OF THE ARTS & SCIENCES

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 148,941
Receivables	
Due from Other Governments	98,034
Prepaid Expenditures	6,000
Total Current Assets	<u>252,975</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	7,845
Building and Improvements	62,528
Less: Accumulated Depreciation	<u>(13,737)</u>
Total Noncurrent Assets	<u>56,636</u>

Total Assets	<u>309,611</u>
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Deferred Outflows - Pension Related	<u>496,246</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accrued Liabilities	<u>83,359</u>
Total Current Liabilities	<u>83,359</u>

Noncurrent Liabilities:

Net Pension Liability	<u>1,306,153</u>
Total Noncurrent Liabilities	<u>1,306,153</u>

Total Liabilities	<u>1,389,512</u>
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Deferred Inflows - Pension Related	<u>12,423</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	56,636
Restricted	55,034
Unrestricted (Deficit)	<u>(707,748)</u>
Total Net Position (Deficit)	<u>\$ (596,078)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 957,055	5,138	132,076	-	(819,841)
Support Services:					
Students	144,919	-	30,372	-	(114,547)
Instruction	18,057	-	-	-	(18,057)
School Administration	168,019	-	-	-	(168,019)
Central Services	99,350	-	-	-	(99,350)
Operation & Maintenance of Plant	89,674	-	-	-	(89,674)
Student Transportation	46,322	-	38,288	-	(8,034)
Facilities Materials, Supplies & Other Services	90,721	-	-	86,509	(4,212)
Total Governmental Activities	\$ 1,614,117	5,138	200,736	86,509	(1,321,734)
General Revenues:					
Property Taxes					\$ 28,174
State Equalization Guarantee					1,058,039
Miscellaneous					6,613
Total General Revenues					<u>1,092,826</u>
Change in Net Position					<u>(228,908)</u>
Net Position (Deficit), Beginning					(367,170)
Net position (Deficit), Ending					<u>\$ (596,078)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000
ASSETS			
Cash and Cash Equivalents	\$ 99,764	-	763
Accounts Receivable			
Due from Governments	-	-	-
Due from Other Funds	91,685	-	-
Prepaid Expenditures	6,000	-	-
Total Assets	\$ 197,449	-	763
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Liabilities	\$ 76,867	-	-
Due to Other Funds	-	-	-
Total Liabilities	76,867	-	-
Fund Balances			
Fund Balance:			
Nonspendable:			
Prepaid Expenditures	6,000	-	-
Restricted for:			
Instruction	-	-	763
Student Transportation	-	-	-
Capital Improvements	-	-	-
Unassigned	114,582	-	-
Total Fund Balance	120,582	-	763
Total Liabilities and Fund Balances	\$ 197,449	-	763

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title XIX Medicaid 3/21 Years 25153	Conoco Phillips Grant 26200
-	-	-	4,542	8,667
39,797	22,470	758	-	-
-	-	-	-	-
-	-	-	-	-
<u>39,797</u>	<u>22,470</u>	<u>758</u>	<u>4,542</u>	<u>8,667</u>
6,349	-	-	143	-
33,448	22,470	758	-	-
<u>39,797</u>	<u>22,470</u>	<u>758</u>	<u>143</u>	<u>-</u>
-	-	-	-	-
-	-	-	4,399	8,667
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,399</u>	<u>8,667</u>
<u>39,797</u>	<u>22,470</u>	<u>758</u>	<u>4,542</u>	<u>8,667</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	NM Reads to Lead K-3 27114	Teacher and School Leader Incentive Pay 27188	City / County Grants 29107
ASSETS			
Cash and Cash Equivalents	\$ -	-	23
Accounts Receivable			
Due from Government	13,382	-	-
Due from Other Funds	-	-	-
Prepaid Expenditures	-	-	-
Total Assets	\$ 13,382	-	23
Liabilities:			
Accrued Liabilities	\$ -	-	-
Due to Other Funds	13,382	-	-
Total Liabilities	13,382	-	-
Fund Balances			
Fund Balance:			
Nonspendable:			
Prepaid Expenditures	-	-	-
Restricted for:			
Instruction	-	-	23
Student Transportation	-	-	-
Capital Improvements	-	-	-
Unassigned	-	-	-
Total Fund Balance	-	-	23
Total Liabilities and Fund Balances	\$ 13,382	-	23

The accompanying notes are an integral part of these financial statements

McCune Charitable Foundation 29114	Public School Capital Outlay 31200	SB-9 Capital Improvements State Match 31700	SB-9 Capital Improvements Local 31701	Total
25	-	-	35,157	148,941
-	21,627	-	-	98,034
-	-	-	-	91,685
-	-	-	-	6,000
25	21,627	-	35,157	344,660
-	-	-	-	83,359
-	21,627	-	-	91,685
-	21,627	-	-	175,044
-	-	-	-	6,000
25	-	-	-	13,877
-	-	-	-	-
-	-	-	35,157	35,157
-	-	-	-	114,582
25	-	-	35,157	169,616
25	21,627	-	35,157	344,660

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Reconciliation of the Balance Sheets of Governmental Funds to the
Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 169,616**

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

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

Capital Assets	70,373	
Accumulated Depreciation	<u>(13,737)</u>	
		56,636

Defined benefit pension plan deferred outflows are not financial resources and, therefore, and not reported in the funds		496,246
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Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		
Net Pension Liability		(1,306,153)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		<u>(12,423)</u>
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Net Position (Deficit) -Total Governmental Activities **\$ (596,078)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000
REVENUES			
Property Taxes	\$ -	-	-
State Grant	1,058,039	38,288	7,500
Federal Grant	-	-	-
Charges for Services	5,138	-	-
Miscellaneous Income	3,363	-	-
Total Revenues	<u>1,066,540</u>	<u>38,288</u>	<u>7,500</u>
EXPENDITURES			
Current:			
Instruction	619,037	-	11,047
Support Services:			
Students	117,051	-	-
Instruction	18,057	-	-
School Administration	167,332	-	-
Central Services	98,244	-	-
Operation & Maintenance of Plant	86,793	-	-
Student Transportation	48	46,274	-
Capital Outlay	-	-	-
Total Expenditures	<u>1,106,562</u>	<u>46,274</u>	<u>11,047</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(40,022)</u>	<u>(7,986)</u>	<u>(3,547)</u>
Other Financing Sources (uses)			
Operating Transfers	-	-	-
Net Changes in Fund Balances	<u>(40,022)</u>	<u>(7,986)</u>	<u>(3,547)</u>
Fund Balances - Beginning of Year	<u>160,604</u>	<u>7,986</u>	<u>4,310</u>
Fund Balances - End of Year	<u>\$ 120,582</u>	<u>-</u>	<u>763</u>

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title XIX Medicaid 3/21 Years 25153	Conoco Phillips Grant 26200
-	-	-	-	-
-	-	-	7,902	-
39,797	22,470	758	-	-
-	-	-	-	-
-	-	-	-	750
<u>39,797</u>	<u>22,470</u>	<u>758</u>	<u>7,902</u>	<u>750</u>
39,797	-	758	-	-
-	22,470	-	5,398	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>39,797</u>	<u>22,470</u>	<u>758</u>	<u>5,398</u>	<u>-</u>
-	-	-	2,504	750
-	-	-	-	-
-	-	-	2,504	750
-	-	-	1,895	7,917
-	-	-	4,399	8,667

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - Continued
Governmental Funds
For The Year Ended June 30, 2017

	NM Reads to Lead K-3 27114	Teacher and School Leader Incentive Pay 27188	City / County Grants 29107
REVENUES			
Property Taxes	\$ -	-	-
State Grant	51,726	32,295	-
Federal Grant	-	-	-
Charges for Services	-	-	-
Miscellaneous Income	-	-	-
Total Revenues	51,726	32,295	-
EXPENDITURES			
Current:			
Instruction	51,726	32,295	-
Support Services:			
Students	-	-	-
Instruction	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Capital Outlay	-	-	-
Total Expenditures	51,726	32,295	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>-</i>	<i>-</i>	<i>-</i>
Other Financing Sources (uses)			
Operating Transfers	-	-	-
Net Changes in Fund Balances	-	-	-
Fund Balances - Beginning of Year	-	-	23
Fund Balances - End of Year	\$ -	-	23

The accompanying notes are an integral part of these financial statements

McCune Charitable Foundation 29114	Public School Capital Outlay 31200	SB-9 Capital Improvements State Match 31700	SB-9 Capital Improvements Local 31701	Total
-	-	-	28,174	28,174
-	86,509	-	-	1,282,259
-	-	-	-	63,025
-	-	-	-	5,138
-	-	-	2,500	6,613
-	86,509	-	30,674	1,385,209
9,288	-	-	-	763,948
-	-	-	-	144,919
-	-	-	-	18,057
687	-	-	-	168,019
-	-	-	-	98,244
-	-	-	-	86,793
-	-	-	-	46,322
-	86,509	-	25,673	112,182
9,975	86,509	-	25,673	1,438,484
(9,975)	-	-	5,001	(53,275)
-	-	(30,156)	30,156	-
(9,975)	-	(30,156)	35,157	(53,275)
10,000	-	30,156	-	222,891
25	-	-	35,157	169,616

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (53,275)**

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

Change in net pension liability and related accounts (193,107)

Expenditures to purchase or build capital assets, pay for interest on debt,
and amortization on long term 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 capital outlay exceeds
depreciation for the period

Capital Outlays	21,461	
Depreciation Expense	(3,987)	
	17,474	17,474

Change in Net Position-Total Governmental Activities **\$ (228,908)**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Agency</u>
ASSETS	
Cash in Bank	\$ 433
Total Assets	<u>\$ 433</u>
 LIABILITIES	
Deposits Held for Others	\$ 433
Total Liabilities	<u>\$ 433</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 433	-	-	433
Total Assets	<u>\$ 433</u>	<u>-</u>	<u>-</u>	<u>433</u>
LIABILITIES				
Deposits Held for Others	\$ 433	-	-	433
Total Liabilities	<u>\$ 433</u>	<u>-</u>	<u>-</u>	<u>433</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. La Tierra Montessori School of the Arts and Science’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. La Tierra Montessori School of the Arts and Science (La Tierra) does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. La Tierra utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for La Tierra are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 7,845	-	-	7,845
Building and Improvements	41,067	21,461	-	62,528
<i>Total</i>	<u>48,912</u>	<u>21,461</u>	<u>-</u>	<u>70,373</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(4,148)	(1,106)	-	(5,254)
Building and Improvements	(5,602)	(2,881)	-	(8,483)
<i>Total</i>	<u>(9,750)</u>	<u>(3,987)</u>	<u>-</u>	<u>(13,737)</u>
Capital Assets, Net	<u>\$ 39,162</u>	<u>17,474</u>	<u>-</u>	<u>56,636</u>

Depreciation expensed for the year ended June 30, 2017 was expensed to the following functions:

Central Services	\$ 1,106
Operations / Plant Maintenance	<u>2,881</u>
Total	<u>\$ 3,987</u>

NOTE 3. COMMITMENTS AND LIABILITIES

La Tierra leases various facilities and equipment under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$86,509. La Tierra's minimum future payments on these leases are as follows:

Year Ending June 30:	
2018	\$ 72,000
2019	72,000
2020	72,000
2021	72,000
2022	72,000
2023-2025	<u>216,000</u>
Total minimum lease payments	<u>\$ 576,000</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Notes to the Financial Statements
June 30, 2017**

NOTE 4. RELATED PARTY TRANSACTIONS

The Business Manager is also the Business Manager of McCurdy Charter School, Taos Integrated School of Arts, Taos Academy and Vista Grande High School.

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, La Tierra Montessori School of the Arts paid employee and employer contributions of \$77,379 and \$72,066.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, La Tierra Montessori School of the Arts and Science reported a liability of \$1,306,153 for its proportionate share of the net pension liability. La Tierra Montessori School of the Arts and Science's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, La Tierra Montessori School of the Arts and Science's proportion was 0.01815% percent, which was an increase of 0.00250% from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

For the year ended June 30, 2017, La Tierra Montessori School of the Arts and Science recognized pension expense of \$270,760. As of June 30, 2017, La Tierra Montessori School of the Arts and Science reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,667	(12,423)
Changes in assumptions	26,588	-
Net difference between projected and actual earnings on pension plan investments	77,966	-
Changes in proportion and differences between La Tierra Montessori School of the Arts and Science's contributions and proportionate share of contributions	308,646	-
La Tierra Montessori School of the Arts and Science's contributions subsequent to the measurement date	<u>77,379</u>	<u>-</u>
Total	<u>\$ 496,246</u>	<u>(12,423)</u>

The amount of \$77,379 reported as deferred outflows of resources related to pensions resulting from La Tierra Montessori School of the Arts and Science's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ 169,232
2018	148,585
2019	69,614
2020	<u>19,013</u>
Total	<u>\$ 406,444</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Tierra Montessori School of the Arts and Sciences
 Notes to the Financial Statements
 June 30, 2017

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Sensitivity of La Tierra Montessori School of the Arts and Science's proportionate share of the net pension liability to changes in the discount rate. The following presents La Tierra Montessori School of Arts's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the La Tierra Montessori School of Arts'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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
La Tierra Montessori School of the Arts and Science's proportionate share of the net pension liability	\$ 1,729,969	1,306,153	954,505

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. La Tierra Montessori School of the Arts and Science accrued \$26,426 in ERB benefits at June 30, 2017 for teachers with ten month contracts.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.07%	0.03%	0.01%
School's Proportionate Share of Net Pension Liability (Asset)	\$	3,191	1,014	572
School's Covered-Employee Payroll	\$	520	277	427
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		613.65%	237.23%	207.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for La Tierra Montessori School of the Arts is not available prior to fiscal year 2015, the year the statement's requirements became

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Statutory required contributions	\$ 36	62	77
Contributions in Relation to the Contractually Required Contribution	36	71	77
Annual contribution deficiency (excess)	\$ -	(9)	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for La Tierra Montessori School of the Arts is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 1,103,273	1,058,039	1,058,039	-
Charges for Services	-	3,200	5,138	1,938
Miscellaneous Income	-	3,149	3,363	214
Total Revenues	1,103,273	1,064,388	1,066,540	2,152
EXPENDITURES				
Current:				
Instruction	680,912	674,071	619,037	55,034
Support Services:				
Students	88,140	148,667	117,051	31,616
Instruction	25,500	22,495	18,057	4,438
General Administration	-	-	-	-
School Administration	137,102	177,258	167,332	9,926
Central Services	97,187	100,988	98,244	2,744
Operation & Maintenance of Plant	74,432	95,464	86,793	8,671
Student Transportation	-	49	48	1
Total Expenditures	1,103,273	1,218,992	1,106,562	112,430
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(154,604)	(40,022)	114,582
Net Changes in Fund Balances	-	(154,604)	(40,022)	114,582
Cash or Fund Balances - Beginning of Year	-	-	154,604	154,604
Cash or Fund Balances - End of Year	\$ -	(154,604)	114,582	269,186
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (40,022)	
NET CHANGE IN FUND BALANCE			\$ (40,022)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Student Transportation 13000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 50,367	46,274	38,288	(7,986)
Total Revenues	<u>50,367</u>	<u>46,274</u>	<u>38,288</u>	<u>(7,986)</u>
EXPENDITURES				
Current:				
Student Transportation	50,367	46,274	46,274	-
Total Expenditures	<u>50,367</u>	<u>46,274</u>	<u>46,274</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(7,986)	(7,986)
Net Changes in Fund Balances	-	-	(7,986)	(7,986)
Cash or Fund Balances - Beginning of Year	-	-	7,986	7,986
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (7,986)	
NET CHANGE IN FUND BALANCE			<u>\$ (7,986)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 6,576	7,500	7,500	-
Total Revenues	<u>6,576</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	6,576	11,810	11,047	763
Total Expenditures	<u>6,576</u>	<u>11,810</u>	<u>11,047</u>	<u>763</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(4,310)	(3,547)	763
Net Changes in Fund Balances	<u>-</u>	<u>(4,310)</u>	<u>(3,547)</u>	<u>763</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,310</u>	<u>4,310</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(4,310)</u>	<u>763</u>	<u>5,073</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (3,547)	
NET CHANGE IN FUND BALANCE			<u>\$ (3,547)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 29,695	47,563	23,527	(24,036)
Total Revenues	<u>29,695</u>	<u>47,563</u>	<u>23,527</u>	<u>(24,036)</u>
EXPENDITURES				
Current:				
Instruction	29,695	47,563	39,797	7,766
Total Expenditures	<u>29,695</u>	<u>47,563</u>	<u>39,797</u>	<u>7,766</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(16,270)	(16,270)
Net Changes in Fund Balances	-	-	(16,270)	(16,270)
Cash or Fund Balances - Beginning of Year	-	-	(23,527)	(23,527)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(39,797)</u>	<u>(39,797)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (16,270)	
Adjustments to Revenues			<u>16,270</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 17,156	22,470	19,812	(2,658)
Total Revenues	<u>17,156</u>	<u>22,470</u>	<u>19,812</u>	<u>(2,658)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	17,156	22,470	22,470	-
Total Expenditures	<u>17,156</u>	<u>22,470</u>	<u>22,470</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(2,658)	(2,658)
Net Changes in Fund Balances	-	-	(2,658)	(2,658)
Cash or Fund Balances - Beginning of Year	-	-	(19,812)	(19,812)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(22,470)</u>	<u>(22,470)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (2,658)	
Adjustments to Revenues			<u>2,658</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher / Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 4,957	10,193	5,788	(4,405)
Total Revenues	4,957	10,193	5,788	(4,405)
EXPENDITURES				
Current:				
Instruction	4,957	10,193	758	9,435
Total Expenditures	4,957	10,193	758	9,435
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	5,030	5,030
Net Changes in Fund Balances	-	-	5,030	5,030
Cash or Fund Balances - Beginning of Year	-	-	(5,788)	(5,788)
Cash or Fund Balances - End of Year	\$ -	-	(758)	(758)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 5,030	
Adjustments to Revenues			(5,030)	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 3/21 Years 25153
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	7,348	7,902	554
Total Revenues	<u>-</u>	<u>7,348</u>	<u>7,902</u>	<u>554</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	9,243	5,398	3,845
Total Expenditures	<u>-</u>	<u>9,243</u>	<u>5,398</u>	<u>3,845</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(1,895)</u>	<u>2,504</u>	<u>4,399</u>
Net Changes in Fund Balances	<u>-</u>	<u>(1,895)</u>	<u>2,504</u>	<u>4,399</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,895</u>	<u>1,895</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(1,895)</u>	<u>4,399</u>	<u>6,294</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			<u>\$ 2,504</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 2,504</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Conoco Phillips Grant 26200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Misellaneous Income	\$ -	-	750	750
Total Revenues	-	-	750	750
EXPENDITURES				
Current:				
Support Services:				
Students	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	750	750
Net Changes in Fund Balances	-	-	750	750
Cash or Fund Balances - Beginning of Year	-	-	7,917	7,917
Cash or Fund Balances - End of Year	\$ -	-	8,667	8,667
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 750	
NET CHANGE IN FUND BALANCE			\$ 750	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
NM Reads to Lead K-3 27114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	51,800	60,326	8,526
Total Revenues	<u>-</u>	<u>51,800</u>	<u>60,326</u>	<u>8,526</u>
EXPENDITURES				
Current:				
Instruction	-	51,800	51,726	74
Total Expenditures	<u>-</u>	<u>51,800</u>	<u>51,726</u>	<u>74</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	8,600	8,600
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>8,600</u>	<u>8,600</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(21,982)</u>	<u>(21,982)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(13,382)</u>	<u>(13,382)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 8,600	
Adjustments to Revenues			<u>(8,600)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher and School Leader Incentive Pay 27188
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	32,295	33,428	1,133
Total Revenues	<u>-</u>	<u>32,295</u>	<u>33,428</u>	<u>1,133</u>
EXPENDITURES				
Current:				
Instruction	-	32,295	32,295	-
Total Expenditures	<u>-</u>	<u>32,295</u>	<u>32,295</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	1,133	1,133
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,133</u>	<u>1,133</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,133)</u>	<u>(1,133)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 1,133	
Adjustments to Revenues			<u>(1,133)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
City / County Grants 29107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
EXPENDITURES				
Current:				
Food Services Operations	\$ -	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>23</u>	<u>23</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>23</u>	<u>23</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
McCune Charitable Foundation 29114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Miscellaneous Income	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	9,313	9,288	25
Support Services:				
School Administration	-	687	687	-
Total Expenditures	<u>-</u>	<u>10,000</u>	<u>9,975</u>	<u>25</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>(10,000)</u>	<u>(9,975)</u>	<u>25</u>
Net Changes in Fund Balances	<u>-</u>	<u>(10,000)</u>	<u>(9,975)</u>	<u>25</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(10,000)</u>	<u>25</u>	<u>10,025</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (9,975)	
NET CHANGE IN FUND BALANCE			<u>\$ (9,975)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	86,509	118,444	31,935
Total Revenues	<u>-</u>	<u>86,509</u>	<u>118,444</u>	<u>31,935</u>
EXPENDITURES				
Capital Outlay	-	86,509	86,509	-
Total Expenditures	<u>-</u>	<u>86,509</u>	<u>86,509</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	31,935	31,935
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>31,935</u>	<u>31,935</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(53,562)</u>	<u>(53,562)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(21,627)</u>	<u>(21,627)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 31,935	
Adjustments to Revenues			<u>(31,935)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 State Match 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 1,636	9,074	15,397	6,323
Total Revenues	1,636	9,074	15,397	6,323
EXPENDITURES				
Capital Outlay	1,636	9,074	-	9,074
Total Expenditures	1,636	9,074	-	9,074
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	15,397	15,397
<i>Other Financing Sources (uses):</i>				
Operating Transfers	-	-	(30,156)	(30,156)
Net Changes in Fund Balances	-	-	(14,759)	(14,759)
Cash or Fund Balances - Beginning of Year	-	-	14,759	14,759
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (14,759)	
Adjustments to Revenues			(15,397)	
NET CHANGE IN FUND BALANCE			\$ (30,156)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 30,374	30,374	28,174	(2,200)
State Grant	-	-	-	-
Miscellaneous Income	-	-	2,500	2,500
Total Revenues	<u>30,374</u>	<u>30,374</u>	<u>30,674</u>	<u>300</u>
EXPENDITURES				
Capital Outlay	59,145	59,145	25,673	33,472
Total Expenditures	<u>59,145</u>	<u>59,145</u>	<u>25,673</u>	<u>33,472</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(28,771)</u>	<u>(28,771)</u>	<u>5,001</u>	<u>33,772</u>
<i>Other Financing Sources (uses):</i>				
Operating Transfers	-	-	30,156	30,156
Net Changes in Fund Balances	<u>(28,771)</u>	<u>(28,771)</u>	<u>35,157</u>	<u>63,928</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (28,771)</u>	<u>(28,771)</u>	<u>35,157</u>	<u>63,928</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			<u>\$ 35,157</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 35,157</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -

Total Cash per Schedule of Cash Accounts:	\$	158,183
Less: FDIC coverage:		<u>(158,183)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		<u>-</u>
Balance Over (Under) Collateralized:	\$	<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	Los Alamos National Bank	Century Bank	Total
Checking - Los Alamos National Labs Bank	\$ 72,554	\$ 85,629	\$ 158,183
Total on Deposit	72,554	85,629	158,183
Reconciling Items	-	(8,809)	(8,809)
Reconciled Balance June 30, 2017	72,554	76,820	149,374
Less Agency Funds		-	(433)
Total Cash	\$ 72,554	\$ 76,820	\$ 148,941

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School of the Arts and Sciences
Cash Reconciliation
June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Student Activity Funds 23000	Federal Flowthrough 24000	State Direct 25000
Cash, June 30, 2016	217,849	7,986	4,310	433	(48,011)	1,895
Add:						
2016-17 revenues	1,066,540	38,288	7,500	-	49,127	7,902
Transfer from other funds	-	-	-	-	-	-
Total cash available	1,284,389	46,274	11,810	433	1,116	9,797
Less:						
2017-17 expenditures	(1,106,562)	(46,274)	(11,047)	-	(63,025)	(5,398)
Receivables/Payables	76,867	-	-	-	6,349	143
Loans	(91,685)	-	-	-	56,676	-
Transfer to other funds	-	-	-	-	-	-
Cash June 30, 2017	163,009	-	763	433	1,116	4,542
Fund Balance Reconciliations to GAAP Basis:						
Audit reclassifications to cash	(63,245)	-	-	-	(1,116)	-
Cash per Books	99,764	-	763	433	-	4,542
Fund Balance (Deficit) Reconciliation to GAAP Basis:						
Modified Accrual Adjustments	(42,427)	-	-	-	(1,116)	(143)
Fund Balance (Deficit), Modified Accrual Basis	120,582	-	763	433	-	4,399

The accompanying notes are an integral part of these financial statements

Local Grants 26000	State Flowthrough 27000	Local or State Fund 29000	Public School Capital Outlay 31200	Capital Improvements SB-9 State Match 31700	Capital Improvements SB-9 Local 31701	Total
7,917	(26,064)	10,023	(53,562)	14,759	-	137,535
750	96,703	-	118,444	15,397	30,674	1,431,325
-	-	-	-	-	30,156	30,156
8,667	70,639	10,023	64,882	30,156	60,830	1,599,016
-	(84,021)	(9,975)	(86,509)	-	(25,673)	(1,438,484)
-	-	-	-	-	-	83,359
-	13,382	-	21,627	-	-	-
-	-	-	-	(30,156)	-	(30,156)
8,667	-	48	-	-	35,157	213,735
-	-	-	-	-	-	(64,361)
8,667	-	48	-	-	35,157	149,374
					Less Agency Fund	(433)
					Total Governmental Funds	\$ 148,941
-	-	-	-	-	-	(43,686)
8,667	-	48	-	-	35,157	170,049
					Less Agency Fund	(433)
					Total Governmental Funds	\$ 169,616

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2017

VOLUME VIII



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LAS MONTANAS CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 109,840
Receivables	
Due from Other Governments	25,985
Total Current Assets	<u>135,825</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	135,437
Less: Accumulated Depreciation	<u>(74,455)</u>
Total Noncurrent Assets	<u>60,982</u>

Total Assets	<u>196,807</u>
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Deferred Outflows - Pension Related	<u>354,183</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accrued Liabilities	<u>9,199</u>
Total Current Liabilities	<u>9,199</u>

Noncurrent Liabilities:

Net Pension Liability	<u>2,752,636</u>
Total Noncurrent Liabilities	<u>2,752,636</u>

Total Liabilities	<u>2,761,835</u>
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Deferred Inflows - Pension Related	<u>140,929</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	60,982
Restricted	61,970
Unrestricted (Deficit)	<u>(2,474,726)</u>
Total Net Position (Deficit)	<u>\$ (2,351,774)</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Program Revenues	Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 974,937	-	114,872	-	(860,065)
Support Services:					
Students	118,800	-	-	-	(118,800)
Instruction	24,000	-	-	-	(24,000)
General Administration	31,930	-	-	-	(31,930)
School Administration	162,371	-	-	-	(162,371)
Central Services	161,585	-	-	-	(161,585)
Operation & Maintenance of Plant	299,496	-	-	-	(299,496)
Community Services Operations	3,023	-	-	-	(3,023)
Student Transportation	40,673	-	-	-	(40,673)
Food Services	29,366	119	28,880	-	(367)
Facilities Materials, Supplies & Other Services	149,000	-	-	111,542	(37,458)
Total Governmental Activities	<u>\$ 1,995,181</u>	<u>119</u>	<u>143,752</u>	<u>111,542</u>	<u>(1,739,768)</u>
General Revenues:					
Property Taxes					\$ 75,261
State Equalization Guarantee					1,608,629
Total General Revenues					<u>1,683,890</u>
Change in Net Position					(55,878)
Net Position- Beginning of Year					<u>(2,295,896)</u>
Net position, Ending					<u>\$ (2,351,774)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
ASSETS			
Cash and Cash Equivalents	\$ 48,629	3,584	-
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	16,027	-	-
Total Assets	64,656	3,584	-
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accrued Expenditures	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	-	-	-
<i>Fund Balances</i>			
Fund Balance:			
Restricted for:			
Instruction	-	3,584	-
Unassigned	64,656	-	-
Total Fund Balance	64,656	3,584	-
<i>Total Liabilities and Fund Balances</i>	\$ 64,656	3,584	-

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

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title I School Improvement 24162	Spaceport Dona Ana 26204
-	417	-	-	2,431
14,777	4,671	-	1,250	755
-	-	-	-	-
14,777	5,088	-	1,250	3,186
-	-	-	-	-
14,777	-	-	1,250	-
14,777	-	-	1,250	-
-	5,088	-	-	3,186
-	-	-	-	-
-	5,088	-	-	3,186
14,777	5,088	-	1,250	3,186

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Balance Sheets - Governmental Funds (continued)
June 30, 2017

	2012 SB-66 Student Library 27107	Public School Capital Outlay 31200	HB 33 Capital Improvements 31600	Total Government
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	-	-	54,779	109,840
Accounts Receivable				
Due from Government	4,532	-	-	25,985
Due from Other Funds	-	-	-	16,027
Total Assets	<u>4,532</u>	<u>-</u>	<u>54,779</u>	<u>151,852</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accrued Expenses	-	-	9,199	9,199
Due to Other Funds	-	-	-	16,027
Total Liabilities	<u>-</u>	<u>-</u>	<u>9,199</u>	<u>25,226</u>
Fund Balances (Deficit)				
Fund Balance:				
Restricted for:				
Instruction	4,532	-	45,580	61,970
Unassigned (Deficit)	-	-	-	64,656
Total Fund Balance	<u>4,532</u>	<u>-</u>	<u>45,580</u>	<u>126,626</u>
<i>Total Liabilities and Fund Balance</i>	<u>4,532</u>	<u>-</u>	<u>54,779</u>	<u>151,852</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Reconciliation of the Balance Sheets of Governmental
Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 126,626**

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

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

Capital Assets	135,437	
Accumulated Depreciation	<u>(74,455)</u>	
		60,982

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds 354,183

The net pension liability is not due and payable in the current period and therefore, is not reported in the funds. (2,752,636)
Net Pension Liability

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds. (140,929)

Net Position (Deficit) - Total Governmental Activities **\$ (2,351,774)**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	2,335	-	-
State Grant	1,608,629	10,042	-
Federal Grant	-	-	28,880
Charges for Services	-	-	119
Total Revenues	1,610,964	10,042	28,999
EXPENDITURES			
Current:			
Instruction	880,402	7,557	-
Support Services:			
Students	93,202	-	-
Instruction	-	-	-
General Administration	31,930	-	-
School Administration	158,549	-	-
Central Services	160,915	-	-
Operation & Maintenance of Plant	301,103	-	-
Student Transportation	39,058	-	-
Food Services Operations	-	-	28,999
Community Services Operation	-	-	-
Capital Outlay	-	-	-
Total Expenditures	1,665,159	7,557	28,999
Net Changes in Fund Balances	(54,195)	2,485	-
Fund Balances - Beginning of Year	118,851	1,099	-
Fund Balances - End of Year	\$ 64,656	3,584	-

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

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title I School Improvement 24162	Spaceport Dona Ana 26204
-	-	-	-	-
-	-	-	-	8,752
-	-	-	-	-
35,278	26,953	2,980	24,000	-
-	-	-	-	-
<u>35,278</u>	<u>26,953</u>	<u>2,980</u>	<u>24,000</u>	<u>8,752</u>
32,255	-	2,980	-	5,566
-	26,953	-	-	-
-	-	-	24,000	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,023	-	-	-	-
-	-	-	-	-
<u>35,278</u>	<u>26,953</u>	<u>2,980</u>	<u>24,000</u>	<u>5,566</u>
-	-	-	-	<u>3,186</u>
-	5,088	-	-	-
-	5,088	-	-	<u>3,186</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Statement of Revenues, Expenditures, and Changes In Fund Balances - Continued
Governmental Funds
For The Year Ended June 30, 2017

	2012 SB-66 Student Library 27107	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	Total
REVENUES				
Property Taxes	\$ -	-	75,261	75,261
Local & County Grant	-	-	-	11,087
State Grant	4,532	111,542	-	1,734,745
Federal Grant	-	-	-	118,091
Charges for Services	-	-	-	119
Total Revenues	4,532	111,542	75,261	1,939,303
EXPENDITURES				
Current:				
Instruction	-	-	-	928,760
Support Services:				
Students	-	-	-	120,155
Instruction	-	-	-	24,000
General Administration	-	-	-	31,930
School Administration	-	-	-	158,549
Central Services	-	-	-	160,915
Operation & Maintenance of Plant	-	-	-	301,103
Student Transportation	-	-	-	39,058
Food Services Operations	-	-	-	28,999
Community Services Operation	-	-	-	3,023
Capital Outlay	-	111,542	29,681	141,223
Total Expenditures	-	111,542	29,681	1,937,715
Net Changes in Fund Balances	4,532	-	45,580	1,588
Fund Balances - Beginning of Year	-	-	-	125,038
Fund Balances - End of Year	\$ 4,532	-	45,580	126,626

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance-Total Governmental Funds **\$ 1,588**

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

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 capital outlay exceeds depreciation for the period

Depreciation Expense	(10,750)	(10,750)
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The issuance of long-term debt (e.g., bonds, notes, leases) provide 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.

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability	(46,716)	
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Change in Net Position-Total Governmental Activities	\$ (55,878)	
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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 2,803
Total Assets	<u>2,803</u>
LIABILITIES	
Deposits Held for Others	2,803
Total Liabilities	<u>\$ 2,803</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 4,955	8,503	(10,655)	2,803
Total Assets	<u>4,955</u>	<u>8,503</u>	<u>(10,655)</u>	<u>2,803</u>
LIABILITIES				
Deposits Held for Others	4,955	8,503	(10,655)	2,803
Total Liabilities	<u>\$ 4,955</u>	<u>8,503</u>	<u>(10,655)</u>	<u>2,803</u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Las Montanas Charter High School’s capitalization policy (i.e., the dollar value above that the asset acquisitions are added to the capital accounts) is \$5,000. Las Montanas Charter High School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Las Montanas Charter High School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, fixtures and equipment 5 years

Capital assets for the Las Montanas Charter High School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 145,398	-	(9,961)	135,437
Total	145,398	-	(9,961)	135,437
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	\$ (73,666)	(10,750)	9,961	(74,455)
Total	(73,666)	(10,750)	9,961	(74,455)
Capital Assets, Net	\$ 71,732	(10,750)	-	60,982

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$	1,358
Student Transportation		1,615
Capital Outlay		7,777
Total	\$	10,750

NOTE 3. COMMITMENTS AND LIABILITIES

Las Montanas Charter High School leased equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2017, was \$58,333. The school's minimum future payments on this lease are as follows:

Year Ending June 30:		
2018	\$	57,707
2019		54,384
Total lease payments	\$	<u>112,091</u>

The information contained within this disclosure represents the pension information specific to the Las Montanas Charter High School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to the Las Montanas Charter High School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Las Montanas Charter High School paid employee and employer contributions of \$121,899 and \$151,860.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Las Montanas Charter High School reported a liability of \$2,752,636 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

The Las Montanas Charter High School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Las Montanas Charter High School's proportion was 0.03825%, which was a decrease of 0.00029 from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

For the year ended June 30, 2017, Las Montanas Charter High School recognized pension expense of \$169,467. At June 30, 2017, Las Montanas Charter High School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,942	\$ (26,181)
Changes in assumptions	56,033	-
Net difference between projected and actual earnings on pension plan investments	164,309	-
Changes in proportion	-	(114,748)
Las Montanas Charter High School contributions subsequent to the measurement date	<u>121,899</u>	<u>-</u>
Total	<u>\$ 354,183</u>	<u>\$ (140,929)</u>

\$121,899 reported as deferred outflows of resources related to pensions resulting from Las Montanas Charter High School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ (34,658)
2019	11,940
2020	74,006
2021	40,067
Total	<u>\$ 91,355</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of Las Montanas Charter High School’s proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the (employer’s) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Las Montanas Charter High School’s proportionate share of the net pension liability	\$ 3,645,802	2,752,636	2,011,560

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

NOTE 5. SUBSEQUENT EVENT

Las Montanas Charter High School disposed of a 2004 GMC Yukon that was no longer in use. The value of the vehicle was \$1,400 and was sold to Governance Council President, Michael L. Davis for \$1,200.

NOTE 6. BUDGETARY INFORMATION

The school did not adopt a budget for the 2012 SB-66 Student Library – 27107 Fund.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LAS MONTANAS CHARTER HIGH SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

Fiscal Year Measurement Date	30-Jun		
	2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)	0.04%	0.04%	0.04%
School's Proportionate Share of Net Pension Liability (Asset)	\$ 2,753	2,496	2,320
School's Covered-Employee Payroll	\$ 1,043	1,052	1,121
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	263.95%	237.23%	207.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Las Montanas Charter High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LAS MONTANAS CHARTER HIGH SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	\$ 152	152	121
Contributions in Relation to the Contractually Required Contribution	<u>152</u>	<u>152</u>	<u>121</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Las Montanas Charter High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	2,335	2,335
State Grant	1,558,869	1,608,629	1,608,629	-
Total Revenues	1,558,869	1,608,629	1,610,964	2,335
EXPENDITURES				
Current:				
Instruction	941,467	909,867	884,243	25,624
Support Services:				
Students	79,159	94,591	93,202	1,389
General Administration	26,500	34,058	31,930	2,128
School Administration	149,771	165,955	158,549	7,406
Central Services	176,171	161,687	160,915	772
Operation & Maintenance of Plant	284,553	320,222	301,103	19,119
Student Transportation	21,269	42,269	39,058	3,211
Total Expenditures	1,678,890	1,728,650	1,669,000	59,650
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(120,021)</u>	<u>(120,021)</u>	<u>(58,036)</u>	<u>61,985</u>
Other Financing Sources (Uses):				
Designated Cash	<u>120,021</u>	<u>120,021</u>	<u>-</u>	<u>(120,021)</u>
Total Other Financing Sources (Uses):	<u>120,021</u>	<u>120,021</u>	<u>-</u>	<u>(120,021)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(58,036)</u>	<u>(58,036)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>118,851</u>	<u>118,851</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>60,815</u>	<u>60,815</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (58,036)	
Adjustments to Expenditures			3,841	
NET CHANGE IN FUND BALANCE			<u>\$ (54,195)</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 8,665	7,555	10,042	2,487
Total Revenues	8,665	7,555	10,042	2,487
EXPENDITURES				
Current:				
Instruction	8,665	7,555	7,555	-
Total Expenditures	8,665	7,555	7,555	-
Net Changes in Fund Balances	-	-	2,487	2,487
Cash or Fund Balances - Beginning of Year	-	-	1,099	1,099
Cash or Fund Balances - End of Year	\$ -	-	3,586	3,586
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 2,487	
Adjustments to Expenditures			(2)	
NET CHANGE IN FUND BALANCE			\$ 2,485	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 65,000	65,000	39,260	(25,740)
Charges for Services	-	-	119	119
Total Revenues	65,000	65,000	39,379	(25,621)
EXPENDITURES				
Current:				
Student Transportation	65,000	65,000	28,999	36,001
Total Expenditures	65,000	65,000	28,999	36,001
Net Changes in Fund Balances	-	-	10,380	10,380
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	10,380	10,380
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 10,380	
<i>Adjustments to Revenues</i>			(10,380)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 44,612	57,894	36,281	(21,613)
Total Revenues	44,612	57,894	36,281	(21,613)
EXPENDITURES				
Current:				
Instruction	44,612	44,612	32,255	12,357
Support Services:				
Community Services Operation			3,023	(3,023)
Total Expenditures	44,612	44,612	35,278	9,334
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	13,282	1,003	(12,279)
Other financing sources (uses):				
Designated Cash	-	(13,282)	-	13,282
Total other financing sources (uses):	-	(13,282)	-	13,282
Net Changes in Fund Balances	-	-	1,003	1,003
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	1,003	1,003
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 1,003	
Adjustments to Revenues			(1,003)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	53,678	32,945	(20,733)
Total Revenues	-	53,678	32,945	(20,733)
EXPENDITURES				
Current:				
Support Services:				
Students	-	51,678	26,953	24,725
General Administration	-	2,000	-	2,000
Total Expenditures	-	53,678	26,953	26,725
Net Changes in Fund Balances	-	-	5,992	5,992
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	5,992	5,992
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 5,992	
<i>Adjustments to Revenues</i>			(5,992)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 6,443	12,775	5,099	(7,676)
Total Revenues	6,443	12,775	5,099	(7,676)
EXPENDITURES				
Current:				
Instruction	6,443	12,775	2,980	9,795
Total expenditures	6,443	12,775	2,980	9,795
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	2,119	2,119
Net changes in Fund Balances	-	-	2,119	2,119
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	2,119	2,119
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 2,119	
Adjustments to Revenues			(2,119)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I School Improvement 24162
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 24,000	24,000	32,100	8,100
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>32,100</u>	<u>8,100</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	24,000	24,000	24,000	-
Total Expenditures	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>8,100</u>	<u>8,100</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>8,100</u>	<u>8,100</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 8,100	
<i>Adjustments to revenues</i>			(8,100)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Spaceport Dona Ana 26204
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ 5,566	10,491	8,752	(1,739)
Total Revenues	5,566	10,491	8,752	(1,739)
EXPENDITURES				
Current:				
Instruction	5,566	5,566	5,566	-
Total Expenditures	5,566	5,566	5,566	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	4,925	3,186	(1,739)
Other financing sources (uses):				
Designated Cash	-	(4,925)	-	4,925
Total other financing sources (uses):	-	(4,925)	-	4,925
Net Changes in Fund Balances	-	-	3,186	3,186
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	3,186	3,186
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 3,186	
NET CHANGE IN FUND BALANCE			\$ 3,186	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
2012 SB-66 Student Library 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	4,532	4,532
<i>Total Revenues</i>	-	-	4,532	4,532
EXPENDITURES				
<i>Net Changes in Fund Balances</i>	-	-	4,532	4,532
<i>Cash or Fund Balances - Beginning of Year</i>	-	-	-	-
<i>Cash or Fund Balances - End of Year</i>	\$ -	-	4,532	4,532
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 4,532	
NET CHANGE IN FUND BALANCE			\$ 4,532	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	111,542	145,226	33,684
Total Revenues	-	111,542	145,226	33,684
EXPENDITURES				
Current:				
Capital Outlay	-	111,542	111,542	-
Net Changes in Fund Balances	-	-	33,684	33,684
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	33,684	33,684
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 33,684	
Adjustments to Revenues			(33,684)	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 45,345	45,345	75,261	29,916
Total Revenues	<u>45,345</u>	<u>45,345</u>	<u>75,261</u>	<u>29,916</u>
EXPENDITURES				
Current:				
Capital Outlay	45,345	45,345	29,681	15,664
Total Expenditures	<u>45,345</u>	<u>45,345</u>	<u>29,681</u>	<u>15,664</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>45,580</u>	<u>45,580</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>45,580</u>	<u>45,580</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 45,580	
NET CHANGE IN FUND BALANCE			<u>\$ 45,580</u>	

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

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Las Montanas Charter High School
 Schedule of Collateral Pledged by Depository for Public Funds
 June 30, 2017

Name of Depository	Security Type	CUSIP/ Security Number	Maturity Date	Fair Value June 30, 2017
N/A	N/A	N/A	N/A	\$ -
Total Cash per Schedule of Cash Accounts:				\$ 180,976
Less: FDIC coverage:				(180,976)
Uninsured Public Funds:				-
Collateral Requirement:				-
Pledged Collateral Held by Pledging Financial Institution:				-
Balance Over Collateralized:				\$ -
Balance Uninsured and Uncollateralized at June 30, 2017:				\$ -

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 180,976
<i>Total on Deposit</i>	180,976
Reconciling Items	<u>(68,333)</u>
Reconciled Balance June 30, 2017	<u>112,643</u>
Less Agency Funds	<u>(2,803)</u>
<i>Total Cash</i>	<u><u>\$ 109,840</u></u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ 40,517	1,099	-
Add:			
2016 -17 revenues	1,610,964	10,042	39,379
Total Cash Available	1,651,481	11,141	39,379
Less:			
2016 -17 expenditures	(1,669,000)	(7,557)	(28,999)
Receivables/Payables	-	-	-
Outstanding Loans	(16,027)	-	-
Cash June 30, 2017	(33,546)	3,584	10,380
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	82,175	-	(10,380)
Cash Per Books	48,629	3,584	-
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	16,027	-	-
Fund Balance, Modified Accrual Basis	<u>\$ 64,656</u>	<u>3,584</u>	<u>-</u>

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

Non-Instruct. Fund 23000	Federal Projects Account 24000	Local Grants Fund 26000	State Account 27000	Public School Capital Outlay 31200
4,955	-	-	-	-
2,328	106,425	8,752	4,532	145,226
7,283	106,425	8,752	4,532	145,226
(4,480)	(89,211)	(5,566)	-	(111,542)
-	16,027	-	-	-
2,803	33,241	3,186	4,532	33,684
-	(32,824)	(755)	(4,532)	(33,684)
2,803	417	2,431	-	-
(2,803)	4,671	755	4,532	-
-	5,088	3,186	4,532	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Las Montanas Charter High School
Cash Reconciliation
June 30, 2017**

	HB-33 Capital Improvements 31600	Total
Cash, June 30, 2016	\$ 9,199	55,770
Add:		
2016 -17 revenues	75,261	2,002,909
Total Cash Available	84,460	2,058,679
Less:		
2016 -17 expenditures	(29,681)	(1,946,036)
Receivables/Payables	9,199	9,199
Outstanding Loans	-	-
Cash June 30, 2017	63,978	121,842
Fund Balance Reconciliations to GAAP Basis:		
Audit reclassifications to cash	(9,199)	(9,199)
Cash Per Books	54,779	112,643
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities - Agency Fund:		(2,803)
		<u>109,840</u>
Fund Balance Reconciliation to GAAP Basis:		
Modified Accrual Adjustments	(9,199)	13,983
Fund Balance, Modified Accrual Basis	<u>\$ 45,580</u>	<u>126,626</u>

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

MASTERS PROGRAM

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 976,379
Receivables	
Due from Other Governments	4,868
Prepaid Expenditures	<u>2,140</u>
Total Current Assets	<u><u>983,387</u></u>

Noncurrent Assets:

Capital Assets	
Building Improvements	30,557
Furniture, Fixtures, and Equipment	179,149
Construction in Progress	23,367
Less: Accumulated Depreciation	<u>(187,132)</u>
Total Noncurrent Assets	<u>45,941</u>
Total Assets	<u><u>1,029,328</u></u>

Deferred Outflows - Pension Related	<u>616,527</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	6,268
Accrued Liabilities	<u>147,142</u>
Total Current Liabilities	<u>153,410</u>

Noncurrent Liabilities:

Net Pension Liability	<u>2,625,259</u>
Total Noncurrent Liabilities	<u>2,625,259</u>
Total Liabilities	<u><u>2,778,669</u></u>

Deferred Inflows - Pension Related	<u>24,970</u>
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NET POSITION (DEFICIT)

Investment in Capital Assets	45,941
Restricted	238,888
Unrestricted (Deficit)	<u>(1,442,613)</u>
Total Net Position (Deficit)	<u><u>\$ (1,157,784)</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,033,539	-	47,065	-	(986,474)
Support Services:					
Students	379,857	-	-	-	(379,857)
Instruction	97,930	-	-	-	(97,930)
General Administration	28,341	-	-	-	(28,341)
School Administration	191,838	-	-	-	(191,838)
Central Services	194,899	-	-	-	(194,899)
Operation & Maintenance of Plant Facilities Materials, Supplies & Other Services	87,222 210,204	- -	- -	- 352,787	(87,222) 142,583
Total Governmental Activities	\$ 2,223,830	-	47,065	352,787	(1,823,978)
General Revenues:					
State Equalization Guarantee					\$ 1,856,563
Miscellaneous					43,144
Total General Revenues					<u>1,899,707</u>
Change in Net Position					75,729
Net Position (Deficit), Beginning of Year					<u>(1,233,513)</u>
Net Position (Deficit), Ending					<u>\$ (1,157,784)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106
ASSETS			
Cash and Cash Equivalents	\$ 530,977	17,582	-
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	209,301	-	-
Prepaid Expenditures	2,140	-	-
Total Assets	\$ 742,418	17,582	-
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 4,187	125	-
Accrued Expenditures	147,142	-	-
Due to Other Funds	-	-	-
Total Liabilities	151,329	125	-
Fund Balances			
Fund Balance:			
Restricted for:			
Instruction	-	17,457	-
Capital Improvements	-	-	-
Assigned to:			
Subsequent Years Expenditures and Other Programs	591,089	-	-
Total Fund Balance	591,089	17,457	-
Total Liabilities and Fund Balances	\$ 742,418	17,582	-

Teacher Principal Training 24154	Dual Credit Instructional Materials 27103	Private Direct Grants 29102	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600
-	-	16,956	-	376,055
-	-	-	-	-
-	-	-	-	-
-	-	16,956	-	376,055
-	-	1,956	-	-
-	-	-	-	-
-	-	-	-	204,433
-	-	1,956	-	204,433
-	-	15,000	-	-
-	-	-	-	171,622
-	-	-	-	-
-	-	15,000	-	171,622
-	-	16,956	-	376,055

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Balance Sheets - Governmental Funds
June 30, 2017

	SB-9 Capital Improvements 31700	Education Technology Equipment Act 31900	Total
ASSETS			
Cash and Cash Equivalents	\$ -	34,809	976,379
Accounts Receivable			
Due from Government	4,868	-	4,868
Due from Other Funds	-	-	209,301
Prepaid Expenditures	-	-	2,140
Total Assets	\$ 4,868	34,809	1,192,688
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ -	-	6,268
Accrued Expenditures	-	-	147,142
Due to Other Funds	4,868	-	209,301
Total Liabilities	4,868	-	362,711
<i>Fund Balances</i>			
Fund Balance:			
Restricted for:			
Instruction	-	-	32,457
Capital Improvements	-	34,809	206,431
Assigned to:			
Subsequent Years Expenditures and Other Programs	-	-	591,089
Total Fund Balance	-	34,809	829,977
Total Liabilities and Fund Balances	\$ 4,868	34,809	1,192,688

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM**

**Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 829,977**

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

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

Capital Assets	233,073	
Accumulated Depreciation	(187,132)	
		45,941

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.

616,527

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.

(2,625,259)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.

(24,970)

Net Position (Deficit) - Total Governmental Activities

\$ (1,157,784)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106
REVENUES			
State Grant	\$ 1,856,563	12,644	-
Federal Grant	-	-	12,371
Miscellaneous Income	-	-	-
Total Revenues	1,856,563	12,644	12,371
EXPENDITURES			
Current:			
Instruction	793,228	20,486	1,286
Support Services:			
Students	327,781	-	11,085
Instruction	81,776	-	-
General Administration	28,341	-	-
School Administration	167,103	-	-
Central Services	168,198	-	-
Operation & Maintenance of Plant	81,111	-	-
Capital Outlay	-	-	-
Total Expenditures	1,647,538	20,486	12,371
Net Changes in Fund Balances	209,025	(7,842)	-
Fund Balances - Beginning of Year	382,064	25,299	-
Fund Balances - End of Year	\$ 591,089	17,457	-

Teacher Principal Training 24154	Dual Credit Instructional Materials 27103	Private Direct Grants 29102	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600
-	22,050	-	90,771	111,485
-	-	-	-	-
-	-	43,144	-	-
-	22,050	43,144	90,771	111,485
-	22,050	26,078	-	-
-	-	2,066	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	90,771	27,078
-	22,050	28,144	90,771	27,078
-	-	15,000	-	84,407
-	-	-	-	87,215
-	-	15,000	-	171,622

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	SB-9 Capital Improvements 31700	Education Technology Equipment Act 31900	Total
REVENUES			
State Grant	4,868	145,663	2,244,044
Federal Grant	-	-	12,371
Miscellaneous Income	-	-	43,144
Total Revenues	4,868	145,663	2,299,559
EXPENDITURES			
Current:			
Instruction	-	-	863,128
Support Services:			
Students	-	-	340,932
Instruction	-	-	81,776
General Administration	-	-	28,341
School Administration	-	-	167,103
Central Services	-	-	168,198
Operation & Maintenance of Plant	-	-	81,111
Capital Outlay	4,868	110,854	233,571
Total Expenditures	4,868	110,854	1,964,160
Net Changes in Fund Balances	-	34,809	335,399
Fund Balances - Beginning of Year	-	-	494,578
Fund Balances - End of Year	-	34,809	829,977

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance - Total Governmental Funds **\$ 335,399**

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

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 capital outlay exceeds depreciation for the period

Capital Outlays	23,367	
Depreciation Expense	(41,941)	
	(18,574)	

Changes in deferred outflows resources-pension related, deferred inflows of resources-pension related and the net pension liability		(241,096)
		(241,096)

Change in Net Position - Total Governmental Activities **\$ 75,729**

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017**

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 14,215
Total Assets	<u>\$ 14,215</u>
LIABILITIES	
Deposits Held for Others	\$ 14,215
Total Liabilities	<u>\$ 14,215</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 14,489	14,228	(14,502)	14,215
Total Assets	<u>14,489</u>	<u>14,228</u>	<u>(14,502)</u>	<u>14,215</u>
LIABILITIES				
Deposits Held for Others	\$ 14,489	14,228	(14,502)	14,215
Total Liabilities	<u>14,489</u>	<u>14,228</u>	<u>(14,502)</u>	<u>14,215</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The MASTERS Program
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Masters Programs' capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The MASTERS Program does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The MASTERS Program utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for The MASTERS Program are recorded in the Statement of Net Position.

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 New Mexico Educational Retirement Plan (ERP) and additions to/deductions from ERP's Fiduciary Net Position have been determined on the same basis as they are reported by ERP. 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Building Improvements	\$ 30,557	-	-	30,557
Furniture, Fixtures and Equipment	179,149	-	-	179,149
Construction in Progress	-	23,367	-	23,367
<i>Total</i>	<u>209,706</u>	<u>23,367</u>	<u>-</u>	<u>233,073</u>
<i>Less: Accumulated Depreciation</i>				
Building Improvements	(5,602)	(6,111)	-	(11,713)
Furniture, fixtures and equipment	(139,589)	(35,830)	-	(175,419)
Construction in Progress	-	-	-	-
<i>Total</i>	<u>(145,191)</u>	<u>(41,941)</u>	<u>-</u>	<u>(187,132)</u>
Capital Assets, Net	<u>\$ 64,515</u>	<u>(18,574)</u>	<u>-</u>	<u>45,941</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The MASTERS Program
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$	35,830
Operation and Maintenance Plant		6,111
Total	\$	41,941

NOTE 3. COMMITMENTS AND LIABILITIES

The MASTERS Program leased equipment and facilities under long-term cancelable operating leases. Rental expenses for the year ended June 30, 2017 was \$118,901. The Masters Program’s minimum future payments on this lease are as follows:

Year Ending June 30:		
2018	\$	117,363
2019		117,363
2020		117,363
Total	\$	352,089

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to The MASTERS Program and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions – For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, The MASTERS Program paid employee and employer contributions of \$135,377 and \$144,819, which equal the amount of the required contributions for each fiscal year.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The MASTERS Program
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, The MASTERS Program reported a liability of \$2,625,259 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

The MASTERS Program’s proportion of the net pension liability was based on a projection of The MASTERS Program’s long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2016 The MASTERS Program’s proportion was 0.03648%, which was an increase of .00389% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, The MASTERS Program’s recognized pension expense is \$377,225. At June 30, 2017, The MASTERS Program reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 11,389	24,970
Changes in assumptions	53,440	-
Net difference between projected and actual earnings on pension plan investments	156,706	-
Changes in proportion and differences between The MASTERS Program’s contributions and proportionate share of contributions	259,615	-
The MASTERS Program’s contributions subsequent to the measurement date	135,377	-
Total	\$ 616,527	24,970

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$135,377 reported as deferred outflows of resources related to pensions resulting from The MASTERS Program’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 170,424
2019	122,466
2020	125,077
2021	38,213
Total	\$ 456,180

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The MASTERS Program’s proportionate share of the net pension liability	\$ 3,477,095	2,625,259	1,918,476

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, The MASTERS Program’s accrued liability due to ERB was \$22,154 for June payroll paid in July 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The MASTERS Program
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.04%	0.03%	0.03%
School's Proportionate Share of Net Pension Liability (Asset)	\$	2,625	2,111	1,693
School's Covered-Employee Payroll	\$	974	890	879
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		269.53%	237.19%	192.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for The MASTERS Program is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The MASTERS Program
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Statutory required contributions	\$ 149	144	135
Contributions in Relation to the Contractually Required Contribution	128	144	135
Annual contribution deficiency (excess)	\$ 21	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for The MASTERS Program is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 1,879,892	1,856,563	1,856,563	-
Total Revenues	1,879,892	1,856,563	1,856,563	-
EXPENDITURES				
Current:				
Instruction	1,118,648	1,144,836	793,228	351,608
Support Services:				
Students	374,374	380,378	327,781	52,597
Instruction	91,785	90,016	81,776	8,240
General Administration	94,700	96,200	28,341	67,859
School Administration	169,476	172,400	167,103	5,297
Central Services	177,467	177,467	168,198	9,269
Operation & Maintenance of Plant	181,250	177,330	81,111	96,219
Total Expenditures	2,207,700	2,238,627	1,647,538	591,089
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(327,808)</i>	<i>(382,064)</i>	<i>209,025</i>	<i>591,089</i>
Other Financing Sources (Uses):				
Designated Cash	327,808	382,064	-	(382,064)
Total Other Financing Sources (Uses):	327,808	382,064	-	(382,064)
Net Changes in Fund Balances	-	-	209,025	209,025
Cash or Fund Balances - Beginning of Year	-	-	382,064	382,064
Cash or Fund Balances - End of Year	\$ -	-	591,089	591,089
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 209,025	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 209,025	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 11,092	12,644	12,644	-
Total Revenues	<u>11,092</u>	<u>12,644</u>	<u>12,644</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	11,092	37,943	20,486	17,457
Total Expenditures	<u>11,092</u>	<u>37,943</u>	<u>20,486</u>	<u>17,457</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>(25,299)</u>	<u>(7,842)</u>	<u>17,457</u>
Other Financing Sources (Uses):				
Designated Cash	-	25,299	-	(25,299)
Total Other Financing Sources (Uses):	<u>-</u>	<u>25,299</u>	<u>-</u>	<u>(25,299)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(7,842)</u>	<u>(7,842)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>25,299</u>	<u>25,299</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>17,457</u>	<u>17,457</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (7,842)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (7,842)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 29,745	69,802	12,371	(57,431)
Total Revenues	<u>29,745</u>	<u>69,802</u>	<u>12,371</u>	<u>(57,431)</u>
EXPENDITURES				
Current:				
Instruction	4,745	4,745	1,286	3,459
Support Services:				
Students	25,000	65,057	11,085	53,972
Total Expenditures	<u>29,745</u>	<u>69,802</u>	<u>12,371</u>	<u>57,431</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	16,480	-	(16,480)
Total Revenues	-	16,480	-	(16,480)
EXPENDITURES				
Current:				
Instruction	-	16,480	-	16,480
Support Services:				
School Administration	-	-	-	-
Total expenditures	-	16,480	-	16,480
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	22,050	22,050	-
Total Revenues	-	22,050	22,050	-
EXPENDITURES				
Current:				
Instruction	-	22,050	22,050	-
Total Expenditures	-	22,050	22,050	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Contributions/Donations	\$ -	45,100	43,144	(1,956)
Total Revenues	-	45,100	43,144	(1,956)
EXPENDITURES				
Current:				
Instruction	-	27,100	26,078	1,022
Support Services:				
Students	-	18,000	2,066	15,934
Total Expenditures	-	45,100	28,144	16,956
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	15,000	15,000
Net Changes in Fund Balances	-	-	15,000	15,000
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	15,000	15,000
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 15,000	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 15,000	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	90,771	90,771	-
Total Revenues	-	90,771	90,771	-
EXPENDITURES				
Current:				
Capital Outlay	-	90,771	90,771	-
Total Expenditures	-	90,771	90,771	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 113,000	113,000	111,485	(1,515)
Total Revenues	113,000	113,000	111,485	(1,515)
EXPENDITURES				
Capital Outlay	163,118	328,400	27,078	301,322
Total Expenditures	163,118	328,400	27,078	301,322
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(50,118)	(215,400)	84,407	299,807
Other Financing Sources (Uses):				
Operating transfers	-	128,185	-	(128,185)
Designated Cash	50,118	87,215	-	(87,215)
Total Other Financing Sources (Uses):	50,118	215,400	-	(215,400)
Net Changes in Fund Balances	-	-	84,407	84,407
Cash or Fund Balances - Beginning of Year	-	-	87,215	87,215
Cash or Fund Balances - End of Year	\$ -	-	171,622	171,622
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 84,407	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 84,407	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	4,868	4,868	-
Total Revenues	-	4,868	4,868	-
EXPENDITURES				
Capital Outlay	-	4,868	4,868	-
Total Expenditures	-	4,868	4,868	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
Education Technology Equipment Act 31900
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	145,663	145,663	-
Total Revenues	-	145,663	145,663	-
EXPENDITURES				
Capital Outlay	-	145,663	110,854	34,809
Total Expenditures	-	145,663	110,854	34,809
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	34,809	34,809
Net Changes in Fund Balances	-	-	34,809	34,809
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	34,809	34,809
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 34,809	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 34,809	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Wells Fargo	FNMA FNRMS	3138AXG88	11/1/2026	\$ 408,322
				<u>\$ 408,322</u>
			Total Cash per Schedule of Cash Accounts:	\$ 991,019
			Less: FDIC coverage:	<u>(250,000)</u>
			Uninsured Public Funds:	741,019
			Collateral Requirement:	370,510
			Pledged Collateral Held by Pledging Financial Institution:	<u>408,322</u>
			Balance Over Collateralized:	<u>\$ 37,812</u>
			Balance Uninsured and Uncollateralized at June 30, 2017:	<u>\$ 332,697</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	Wells Fargo
Checking - Operational Account	\$ 991,019
<i>Total on Deposit</i>	<u>991,019</u>
Reconciling Items	(425)
Reconciled Balance June 30, 2017	<u>990,594</u>
Less Agency Funds	<u>(14,215)</u>
<i>Total Cash</i>	<u><u>\$ 976,379</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Non-Instruct. Fund 23000	Federal Projects Account 24000
Cash, June 30, 2016	\$ 510,508	25,299	14,489	-
Add:				
2016-17 revenues	1,856,563	12,644	14,228	12,371
Total Cash Available	2,367,071	37,943	28,717	12,371
Less:				
2016-17 expenditures	(1,647,538)	(20,486)	(14,502)	(12,371)
Receivables/Payables	147,142	-	-	-
Outstanding Loans	(209,301)	-	-	-
Cash June 30, 2017	657,374	17,457	14,215	-
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	(126,397)	125	-	-
Cash Per Books	530,977	17,582	14,215	-
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	60,112	(125)	(14,215)	-
Fund Balance (Deficit), Modified Accrual Basis	\$ 591,089	17,457	-	-

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

State Account 27000	Direct Private Grants 29000	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Ed. Technology Equipment Act 31900	Total
-	-	-	87,215	-	-	637,511
22,050	43,144	90,771	111,485	4,868	145,663	2,313,787
22,050	43,144	90,771	198,700	4,868	145,663	2,951,298
(22,050)	(28,144)	(90,771)	(27,078)	(4,868)	(110,854)	(1,978,662)
-	-	-	-	-	-	147,142
-	-	-	204,433	4,868	-	-
-	15,000	-	376,055	4,868	34,809	1,119,778
-	1,956	-	-	(4,868)	-	(129,184)
-	16,956	-	376,055	-	34,809	990,594
					Less: Agency Fund	(14,215)
						\$ 976,379
-	(1,956)	-	(204,433)	-	-	(160,617)
-	15,000	-	171,622	-	34,809	829,977
					Balance Sheets - Governmental Funds:	\$ 829,977

McCURDY CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Statement of Net Position
June 30, 2017**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 308,068
Receivables	
Due from Other Governments	722,232
Prepaid Expenses	18,181
Total Current Assets	<u>1,048,481</u>

Noncurrent Assets:

Capital Assets	
Vehicles	119,321
Leasehold Improvements	94,377
Less: Accumulated Depreciation	<u>(32,786)</u>
Total Noncurrent Assets	<u>180,912</u>
Total Assets	<u>1,229,393</u>

DEFERRED OUTFLOWS - PENSION RELATED

798,483

LIABILITIES

Current Liabilities:

Accounts Payable	50,845
Accrued Liabilities	344,063
Total Current Liabilities	<u>394,908</u>

Noncurrent Liabilities:

Net Pension Liability	<u>5,066,289</u>
Total Noncurrent Liabilities	<u>5,066,289</u>
Total Liabilities	<u>5,461,197</u>

DEFERRED INFLOWS - PENSION RELATED

127,053

NET POSITION (DEFICIT)

Net Investment in Capital Assets	180,912
Restricted	578,726
Unrestricted (Deficit)	<u>(4,320,012)</u>
Total Net Position (Deficit)	<u>\$ (3,560,374)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 2,468,137	73,440	492,685	-	(1,902,012)
Support Services:					
Students	246,442	-	-	-	(246,442)
Instruction	2,940	-	-	-	(2,940)
General Administration	51,649	-	-	-	(51,649)
School Administration	502,013	-	-	-	(502,013)
Central Services	281,883	-	-	-	(281,883)
Operation & Maintenance of Plant	434,406	-	-	-	(434,406)
Student Transportation	31,181	-	-	-	(31,181)
Food Services	141,646	36,905	148,177	-	43,436
Facilities Materials, Supplies & Other Services	292,775	-	-	385,427	92,652
Total Governmental Activities	\$ 4,453,072	110,345	640,862	385,427	(3,316,438)
General Revenues:					
					\$ 125,748
					3,184,174
					2,913
					<u>3,312,835</u>
Change in Net Position					<u>(3,603)</u>
					Net Position (Deficit), Beginning (3,556,771)
					<u>Net Position (Deficit), Ending \$ (3,560,374)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Athletics 22000
ASSETS				
Cash and Cash Equivalents	\$ 91,092	8,148	68,840	-
Accounts Receivable				
Due from Other Governments	-	-	-	-
Due from Other Funds	367,951	-	-	-
Prepaid Expenditures	18,181	-	-	-
Total Assets	477,224	8,148	68,840	-
LIABILITIES AND FUND BALANCES (DEFICIT)				
<i>Liabilities:</i>				
Accounts Payable	\$ 50,845	-	-	-
Accrued Expenditures	320,119	-	-	369
Due to Other Funds	-	-	-	31,044
Total Liabilities	370,964	-	-	31,413
<i>Fund Balances (Deficit)</i>				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	\$ 18,181	-	-	-
Restricted for:				
Instruction	-	8,148	-	-
Food Service Operations	-	-	68,840	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	88,079	-	-	-
Unassigned (Deficit)	-	-	-	(31,413)
Total Fund Balance (Deficit)	106,260	8,148	68,840	(31,413)
Total Liabilities and Fund Balances (Deficit)	\$ 477,224	8,148	68,840	-

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	Charter Schools 24146	Teacher Principal Training 24154	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153
21,149	6,837	68	660	307	11,940	41,732
124,133	86,867	-	21,726	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
145,282	93,704	68	22,386	307	11,940	41,732
-	-	-	-	-	-	-
16,010	6,596	-	658	-	-	54
124,133	86,867	-	21,726	-	-	-
140,143	93,463	-	22,384	-	-	54
-	-	-	-	-	-	-
5,139	241	68	2	307	11,940	41,678
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,139	241	68	2	307	11,940	41,678
145,282	93,704	68	22,386	307	11,940	41,732

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	LANL Foundation 26113	Dual Credits Instructional Materials 27103	NM Reads to Lead K-3 27114	STEM Teacher Initiative 27181
ASSETS				
Cash and Cash Equivalents	\$ 707	-	130	-
Accounts Receivable				
Due from Other Governments	-	-	-	67,629
Due from Other Funds	-	-	-	-
Prepaid Expenditures	-	-	-	-
Total Assets	<u>707</u>	<u>-</u>	<u>130</u>	<u>67,629</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
<i>Liabilities:</i>				
Accounts Payable	\$ -	-	-	-
Accrued Expenditures	-	-	130	-
Due to Other Funds	-	-	-	67,629
Total Liabilities	<u>-</u>	<u>-</u>	<u>130</u>	<u>67,629</u>
<i>Fund Balances (Deficit)</i>				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	\$ -	-	-	-
Restricted for:				
Instruction	707	-	-	-
Food Service Operations	-	-	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balance (Deficit)	<u>707</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 707</u>	<u>-</u>	<u>130</u>	<u>67,629</u>

The accompanying notes are an integral part of these financial statements

Teachers Hard to Staff Stipend 27195	Private Direct Grants 29102	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	SB-9 Capital Improvements (Local) 31701	Total
102	3,882	-	-	52,474	308,068
36,450	-	385,427	-	-	722,232
-	-	-	-	385,427	753,378
-	-	-	-	-	18,181
36,552	3,882	385,427	-	437,901	1,801,859
-	-	-	-	-	50,845
-	127	-	-	-	344,063
36,552	-	385,427	-	-	753,378
36,552	127	385,427	-	-	1,148,286
-	-	-	-	-	18,181
-	3,755	-	-	-	71,985
-	-	-	-	-	68,840
-	-	-	-	437,901	437,901
-	-	-	-	-	88,079
-	-	-	-	-	(31,413)
-	3,755	-	-	437,901	653,573
36,552	3,882	385,427	-	437,901	1,801,859

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Reconciliation of the Balance Sheets of Governmental Funds to the
Statement of Net Position
June 30, 2017**

Fund Balances (Deficit) - Total Governmental Funds **\$ 653,573**

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

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

Capital Assets	213,698	
Accumulated Depreciation	<u>(32,786)</u>	
		180,912

Defined benefit pension plan deferred outflows are not financial resources and, therefore, and not reported in the funds		798,483
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The net pension liability is not due in the current period and, therefore, is not reported in the funds.		(5,066,289)
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		<u>(127,053)</u>
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Net Position (Deficit) - Total Governmental Activities **\$ (3,560,374)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Athletics 22000
REVENUES				
Property Taxes	\$ -	-	-	-
Local Grant	3,253	-	-	-
State Grant	3,184,174	32,912	-	-
Federal Grant	64,883	-	148,177	-
Charges for Services	5,383	80	36,905	67,977
Miscellaneous Income	2,597	-	-	316
Total Revenues	3,260,290	32,992	185,082	68,293
EXPENDITURES				
Current:				
Instruction	1,936,220	40,606	-	39,916
Support Services:				
Students	191,070	-	-	-
Instruction	2,940	-	-	-
General Administration	51,649	-	-	-
School Administration	467,764	-	-	-
Central Services	273,709	-	-	-
Operation & Maintenance of Plant	422,777	-	-	-
Student Transportation	18,003	-	-	-
Food Services Operations	-	-	141,646	-
Capital Outlay	-	-	-	-
Total Expenditures	3,364,132	40,606	141,646	39,916
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(103,842)	(7,614)	43,436	28,377
OTHER FINANCING SOURCES (USES)				
Cash Transfers In (Out)	-	-	-	-
Net Changes in Fund Balances	(103,842)	(7,614)	43,436	28,377
Fund Balances (Deficit) - Beginning of Year	210,102	15,762	25,404	(59,790)
Fund Balances (Deficit) - End of Year	\$ 106,260	8,148	68,840	(31,413)

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	Charter Schools 24146	Teacher Principal Training 24154	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	31,662
124,133	86,867	-	31,372	307	11,940	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
124,133	86,867	-	31,372	307	11,940	31,662
123,532	44,320	-	31,372	-	-	-
-	42,306	-	-	-	-	6,692
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
123,532	86,626	-	31,372	-	-	6,692
601	241	-	-	307	11,940	24,970
-	-	-	-	-	-	-
601	241	-	-	307	11,940	24,970
4,538	-	68	2	-	-	16,708
5,139	241	68	2	307	11,940	41,678

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - Continued
Governmental Funds
For The Year Ended June 30, 2017

	LANL Foundation 26113	Dual Credits Instructional Materials 27103	NM Reads to Lead K-3 27114	STEM Teacher Initiative 27181
REVENUES				
Property Taxes	\$ -	-	-	-
Local Grant	-	-	-	-
State Grant	-	1,277	-	67,629
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>-</u>	<u>1,277</u>	<u>-</u>	<u>67,629</u>
EXPENDITURES				
Current:				
Instruction	213	1,277	-	67,629
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>213</u>	<u>1,277</u>	<u>-</u>	<u>67,629</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(213)	-	-	-
OTHER FINANCING SOURCES (USES)				
Cash Transfers In (Out)	-	-	-	-
Net Changes in Fund Balances	(213)	-	-	-
Fund Balances (Deficit) - Beginning of Year	<u>920</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 707</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Teachers Hard to Staff Stipend 27195	Private Direct Grants 29102	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	SB-9 Capital Improvements (Local) 31701	Total
-	-	-	-	125,748	125,748
-	-	-	-	-	3,253
36,450	-	385,427	-	-	3,739,531
-	-	-	-	-	467,679
-	-	-	-	-	110,345
-	-	-	-	-	2,913
<u>36,450</u>	<u>-</u>	<u>385,427</u>	<u>-</u>	<u>125,748</u>	<u>4,449,469</u>
36,450	-	-	-	-	2,321,535
-	-	-	-	-	240,068
-	-	-	-	-	2,940
-	-	-	-	-	51,649
-	-	-	-	-	467,764
-	-	-	-	-	273,709
-	-	-	-	-	422,777
-	-	-	-	-	18,003
-	-	-	-	-	141,646
-	-	385,427	-	1,725	387,152
<u>36,450</u>	<u>-</u>	<u>385,427</u>	<u>-</u>	<u>1,725</u>	<u>4,327,243</u>
-	-	-	-	124,023	122,226
-	-	-	(313,878)	313,878	-
-	-	-	(313,878)	437,901	122,226
-	3,755	-	313,878	-	531,347
<u>-</u>	<u>3,755</u>	<u>-</u>	<u>-</u>	<u>437,901</u>	<u>653,573</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 122,226**

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

Changes in deferred outflows of resources-pension related,
deferred inflows of resources-pension related, and the
net pension liability (208,284)

Expenditures to purchase or build capital assets, pay for interest on debt,
and amortization on long term 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 capital outlay exceeds depreciation for the
period

Capital Outlays	94,377	
Depreciation Expense	(11,922)	
	82,455	82,455

Change in Net Position-Total Governmental Activities **\$ (3,603)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 100,655</u>
Total Assets	<u><u>\$ 100,655</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 100,655</u>
Total Liabilities	<u><u>\$ 100,655</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 86,796	77,311	(63,452)	100,655
Total Assets	<u>\$ 86,796</u>	<u>77,311</u>	<u>(63,452)</u>	<u>100,655</u>
 LIABILITIES				
Deposits Held for Others	\$ 86,796	77,311	(63,452)	100,655
Total Liabilities	<u>\$ 86,796</u>	<u>77,311</u>	<u>(63,452)</u>	<u>100,655</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. McCurdy Charter School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. McCurdy Charter School (McCurdy) does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. McCurdy utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Vehicles	10 years
Leasehold Improvements	5-15 years

Capital assets for McCurdy are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Vehicles	\$ 119,321	-	-	119,321
Leasehold Improvements	-	94,377	-	94,377
<i>Total</i>	<u>119,321</u>	<u>94,377</u>	<u>-</u>	<u>213,698</u>
<i>Less: Accumulated Depreciation</i>				
Vehicles	(20,864)	(11,922)	-	(32,786)
<i>Total</i>	<u>(20,864)</u>	<u>(11,922)</u>	<u>-</u>	<u>(32,786)</u>
Capital Assets, Net	<u>\$ 98,457</u>	<u>(82,455)</u>	<u>-</u>	<u>180,912</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Student Transportation	\$ 11,922
Total	<u>\$ 11,922</u>

NOTE 3. COMMITMENTS AND LIABILITIES

McCurdy leases the building in which it conducts school operations. The lease is considered to be an operating lease. In July 2017, the School entered into a new operating lease with the same lessor for a newly constructed building. The lease extends through June 2026, with School options to extend the lease for two subsequent ten years terms. Future minimum lease payments on this lease are as follows:

Year ended June 30:

2018	\$ 446,912
2019	492,660
2020	492,660
2021	492,660
2022	492,660
2023-2026	<u>2,717,250</u>
Total	<u>\$ 5,134,802</u>

NOTE 4. DEFICIT FUND BALANCE

The Athletics Fund (22000) had a deficit fund balance of \$31,413 at June 30, 2017. McCurdy is addressing the negative fund balance and is planning on taking the appropriate actions to eliminate the negative balance.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. RELATED PARTY TRANSACTIONS

The Business Manager is also the Business Manager of La Tierra Montessori School of the Arts and Sciences, Taos Integrated School of Arts, Taos Academy, and Vista Grande High School.

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to McCurdy Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, McCurdy paid employee and employer contributions of \$296,363 and \$279,746.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, McCurdy reported a liability of \$5,066,289 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

McCurdy's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, McCurdy's proportion was 0.07040%, which was a decrease of 0.00054% from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

For the year ended June 30, 2017, McCurdy recognized pension expense of \$505,968. As of June 30, 2017, McCurdy reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,979	(48,187)
Changes in assumptions	103,129	-
Net difference between projected and actual earnings on pension plan investments	302,415	-
Changes in proportion and differences between McCurdy's contributions and proportionate share of contributions	74,597	(78,866)
McCurdy's contributions subsequent to the measurement date	296,363	-
Total	<u>\$ 798,483</u>	<u>(127,053)</u>

The amount of \$296,363 reported as deferred outflows of resources related to pensions resulting from McCurdy's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	111,164
2019		54,028
2020		136,128
2021		73,747
Total	<u>\$</u>	<u>375,067</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Notes to the Financial Statements
June 30, 2017

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
McCurdy’s proportionate share of the net pension liability	\$ 6,710,182	5,066,289	3,702,322

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. McCurdy accrued \$60,489 in ERB benefits at June 30, 2017 for teachers with ten month contracts.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.00%	0.07%	0.07%
School's Proportionate Share of Net Pension Liability (Asset)	\$	5,066	4,595	4,146
School's Covered-Employee Payroll	\$	2,132	1,937	2,003
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		237.62%	237.22%	206.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for McCurdy Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Statutory required contributions	\$ 263	320	263
Contributions in Relation to the Contractually Required Contribution	263	280	263
Annual contribution deficiency (excess)	\$ -	40	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for McCurdy Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	64,883	64,883	-
State Grant	3,185,017	3,184,174	3,184,174	-
Local Grant	-	-	3,253	3,253
Charges for Services	-	-	5,383	5,383
Miscellaneous Income	-	-	2,597	2,597
Total Revenues	3,185,017	3,249,057	3,260,290	11,233
EXPENDITURES				
Current:				
Instruction	2,010,186	1,996,586	1,947,407	49,179
Support Services:				
Students	192,180	203,961	191,070	12,891
Instruction	4,932	4,932	2,940	1,992
General Administration	25,710	50,046	65,689	(15,643)
School Administration	466,356	466,356	453,724	12,632
Central Services	216,753	254,753	273,709	(18,956)
Operation & Maintenance of Plant	366,102	467,995	371,931	96,064
Student Transportation	-	14,531	18,003	(3,472)
Total Expenditures	3,282,219	3,459,160	3,324,473	134,687
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(97,202)	(210,103)	(64,183)	145,920
OTHER FINANCING SOURCES (USES)				
Designated Cash	97,202	210,103	-	-
Net Changes in Fund Balances	-	-	(64,183)	145,920
Cash or Fund Balances - Beginning of Year	-	-	210,102	210,102
Cash or Fund Balances - End of Year	\$ -	-	145,919	356,022
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (64,183)	
Adjustments to Revenues			-	
Adjustments to Expenditures			(39,659)	
NET CHANGE IN FUND BALANCE			\$ (103,842)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 28,733	29,340	32,992	3,652
Total Revenues	<u>28,733</u>	<u>29,340</u>	<u>32,992</u>	<u>3,652</u>
EXPENDITURES				
Current:				
Instruction	28,733	45,023	40,606	4,417
Total Expenditures	<u>28,733</u>	<u>45,023</u>	<u>40,606</u>	<u>4,417</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(15,683)	(7,614)	8,069
OTHER FINANCING SOURCES (USES)				
Designated Cash	-	15,683	-	-
Net Changes in Fund Balances	-	-	(7,614)	8,069
Cash or Fund Balances - Beginning of Year	-	-	15,762	15,762
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>8,148</u>	<u>23,831</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (7,614)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (7,614)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 150,000	150,000	148,177	(1,823)
Charges for Services	37,500	37,500	36,905	(595)
Total Revenues	187,500	187,500	185,082	(2,418)
EXPENDITURES				
Current:				
Food Services Operations	187,500	212,904	141,646	71,258
Total Expenditures	187,500	212,904	141,646	71,258
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(25,404)	43,436	68,840
OTHER FINANCING SOURCES (USES)				
Designated Cash	-	25,404	-	-
Net Changes in Fund Balances	-	-	43,436	68,840
Cash or Fund Balances - Beginning of Year	-	-	25,404	25,404
Cash or Fund Balances - End of Year	\$ -	-	68,840	94,244
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 43,436	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 43,436	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Athletics 22000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Charges for Services	\$ 45,000	45,000	67,977	22,977
Miscellaneous Income	-	-	316	316
Total Revenues	45,000	45,000	68,293	23,293
EXPENDITURES				
Current:				
Instruction	45,000	45,000	39,916	5,084
Total Expenditures	45,000	45,000	39,916	5,084
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	28,377	28,377
Net Changes in Fund Balances	-	-	28,377	28,377
Cash or Fund Balances - Beginning of Year	-	-	(59,790)	(59,790)
Cash or Fund Balances - End of Year	\$ -	-	(31,413)	(31,413)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 28,377	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 28,377	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 142,833	171,187	-	(171,187)
Total Revenues	<u>142,833</u>	<u>171,187</u>	<u>-</u>	<u>(171,187)</u>
EXPENDITURES				
Current:				
Instruction	142,833	171,187	124,133	47,054
Total Expenditures	<u>142,833</u>	<u>171,187</u>	<u>124,133</u>	<u>47,054</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(124,133)	(124,133)
Net Changes in Fund Balances	-	-	(124,133)	(124,133)
Cash or Fund Balances - Beginning of Year	-	-	4,538	4,538
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(119,595)</u>	<u>(119,595)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (124,133)	
Adjustments to Revenues			124,133	
Adjustments to Expenditures			<u>601</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 601</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 84,337	120,811	-	(120,811)
Total Revenues	84,337	120,811	-	(120,811)
EXPENDITURES				
Current:				
Instruction	46,000	46,000	44,561	1,439
Support Services:				
Students	38,337	74,811	42,306	32,505
Total Expenditures	84,337	120,811	86,867	33,944
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(86,867)	(86,867)
Net Changes in Fund Balances	-	-	(86,867)	(86,867)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(86,867)	(86,867)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (86,867)	
Adjustments to Revenues			86,867	
Adjustments to Expenditures			241	
NET CHANGE IN FUND BALANCE			\$ 241	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Charter Schools 24146
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	68	68
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>68</u>	<u>68</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher / Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 25,021	56,923	9,646	(47,277)
Total Revenues	25,021	56,923	9,646	(47,277)
EXPENDITURES				
Current:				
Instruction	25,021	51,923	31,372	20,551
Support Services:				
School Administration	-	5,000	-	5,000
Total Expenditures	25,021	56,923	31,372	25,551
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(21,726)	(21,726)
Net Changes in Fund Balances	-	-	(21,726)	(21,726)
Cash or Fund Balances - Beginning of Year	-	-	2	2
Cash or Fund Balances - End of Year	\$ -	-	(21,724)	(21,724)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (21,726)	
Adjustments to Revenues			21,726	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Impact Aid Special Education 25145
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	307	307	-
Total Revenues	<u>-</u>	<u>307</u>	<u>307</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	307	-	307
Total Expenditures	<u>-</u>	<u>307</u>	<u>-</u>	<u>307</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	307	307
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>307</u>	<u>307</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>307</u>	<u>307</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 307	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 307</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Impact Aid Indian Education 25147
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	9,131	11,940	2,809
Total Revenues	<u>-</u>	<u>9,131</u>	<u>11,940</u>	<u>2,809</u>
EXPENDITURES				
Current:				
Instruction	-	9,131	-	9,131
Total Expenditures	<u>-</u>	<u>9,131</u>	<u>-</u>	<u>9,131</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>11,940</u>	<u>11,940</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>11,940</u>	<u>11,940</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>11,940</u>	<u>11,940</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 11,940	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 11,940</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 3/21 Years 25153
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	28,912	31,662	2,750
Total Revenues	<u>-</u>	<u>28,912</u>	<u>31,662</u>	<u>2,750</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	28,912	6,692	22,220
Total Expenditures	<u>-</u>	<u>28,912</u>	<u>6,692</u>	<u>22,220</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>24,970</u>	<u>24,970</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>24,970</u>	<u>24,970</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>16,708</u>	<u>16,708</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>41,678</u>	<u>41,678</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 24,970	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 24,970</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
LANL Foundation 26113
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Miscellaneous Income	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	920	213	707
Total Expenditures	<u>-</u>	<u>920</u>	<u>213</u>	<u>707</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(920)	(213)	707
<i>Designated Cash</i>	-	920	-	-
Net Changes in Fund Balances	-	-	(213)	707
Cash or Fund Balances - Beginning of Year	-	-	920	920
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>707</u>	<u>1,627</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (213)	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (213)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credits Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	1,277	1,277	-
Total Revenues	<u>-</u>	<u>1,277</u>	<u>1,277</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	1,277	1,277	-
Total Expenditures	<u>-</u>	<u>1,277</u>	<u>1,277</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
NM Reads to Lead K-3 27114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
STEM Teacher Initiative 27181
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	68,740	-	(68,740)
Total Revenues	<u>-</u>	<u>68,740</u>	<u>-</u>	<u>(68,740)</u>
EXPENDITURES				
Current:				
Instruction	-	68,740	67,629	1,111
Total Expenditures	<u>-</u>	<u>68,740</u>	<u>67,629</u>	<u>1,111</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(67,629)</u>	<u>(67,629)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(67,629)</u>	<u>(67,629)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(67,629)</u>	<u>(67,629)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (67,629)	
Adjustments to Revenues			67,629	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Hard to Staff Teacher Stipend 27195
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	36,450	-	(36,450)
Total Revenues	<u>-</u>	<u>36,450</u>	<u>-</u>	<u>(36,450)</u>
EXPENDITURES				
Current:				
Instruction	-	36,450	36,450	-
Total Expenditures	<u>-</u>	<u>36,450</u>	<u>36,450</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(36,450)</u>	<u>(36,450)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(36,450)</u>	<u>(36,450)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(36,450)</u>	<u>(36,450)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (36,450)	
Adjustments to Revenues			36,450	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Miscellaneous Income	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	3,755	-	3,755
Total Expenditures	<u>-</u>	<u>3,755</u>	<u>-</u>	<u>3,755</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(3,755)	-	3,755
OTHER FINANCING SOURCES (USES)				
Designated Cash	-	3,755	-	-
Net Changes in Fund Balances	-	-	-	3,755
Cash or Fund Balances - Beginning of Year	-	-	3,755	3,755
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,755</u>	<u>7,510</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	385,427	-	(385,427)
Total Revenues	<u>-</u>	<u>385,427</u>	<u>-</u>	<u>(385,427)</u>
EXPENDITURES				
Capital Outlay	-	385,427	385,427	-
Total Expenditures	<u>-</u>	<u>385,427</u>	<u>385,427</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(385,427)</u>	<u>(385,427)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(385,427)</u>	<u>(385,427)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(385,427)</u>	<u>(385,427)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (385,427)	
Adjustments to Revenues			385,427	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	-	1,606	1,606
State Grant	20,779	20,779	-	(20,779)
Total Revenues	20,779	20,779	1,606	(19,173)
EXPENDITURES				
Capital Outlay	20,779	20,779	-	20,779
Total Expenditures	20,779	20,779	-	20,779
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	1,606	1,606
OTHER FINANCING SOURCES (USES)				
Cash Transfers in (Out)	-	-	(313,878)	(313,878)
Net Changes in Fund Balances	-	-	(312,272)	(312,272)
Cash or Fund Balances - Beginning of Year	-	-	313,878	313,878
Cash or Fund Balances - End of Year	\$ -	-	1,606	1,606
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (312,272)	
Adjustments to Revenues			(1,606)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (313,878)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements (Local) 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 133,044	133,044	125,748	(7,296)
Total Revenues	133,044	133,044	125,748	(7,296)
EXPENDITURES				
Capital Outlay	424,543	424,543	1,725	422,818
Total Expenditures	424,543	424,543	1,725	422,818
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(291,499)	(291,499)	124,023	415,522
OTHER FINANCING SOURCES (USES)				
Cash Transfers in (Out)	313,878	313,878	313,878	-
Net Changes in Fund Balances	22,379	22,379	437,901	415,522
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ 22,379	22,379	437,901	415,522
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 437,901	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 437,901	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
FHLB Dallas	NM Fin Auth	64711NDV4	6/1/2024	\$ 260,130
				<u>\$ 260,130</u>

Total Cash per Schedule of Cash Accounts:	\$ 536,393
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	286,393
Collateral Requirement:	143,197
Pledged Collateral Held by Pledging Financial Institution:	<u>260,130</u>
Balance Over Collateralized:	<u>\$ 116,933</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	<u>\$ 26,263</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 McCurdy Charter School
 Schedule of Cash Accounts
 June 30, 2017

<u>Bank Account Type</u>	<u>Century Bank</u>
Checking - Operational Account	\$ 536,393
<i>Total on Deposit</i>	536,393
Reconciling Items	<u>(127,670)</u>
Reconciled Balance June 30, 2017	<u>408,723</u>
Less: Agency Funds	<u>(100,655)</u>
<i>Total Cash</i>	<u><u>\$ 308,068</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ -	15,762	25,404
Add:			
2016-17 Transfers	-	-	-
2016-17 Revenues	3,260,290	32,992	185,082
Total cash available	3,260,290	48,754	210,486
Less:			
2016-17 Transfers	-	-	-
2016-17 Expenditures	(3,324,473)	(40,606)	(141,646)
Receivables/Payables	32,615	-	-
Outstanding Loans	122,660	-	-
Cash June 30, 2017	91,092	8,148	68,840
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	-	-	-
Cash per Books	91,092	8,148	68,840
Fund Balance (Deficit) Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	15,168	-	-
Fund Balance (Deficit), Modified Accrual Basis	\$ 106,260	8,148	68,840

The accompanying notes are an integral part of these financial statements

Athletics 22000	Non-Instruct. Support 23000	Federal Flowthrough 24000	State Direct 25000	Local Grants 26000	State Flowthrough 27000
-	86,796	68	14,598	920	-
-	-	-	-	-	-
68,293	77,311	9,646	43,909	-	1,277
68,293	164,107	9,714	58,507	920	1,277
-	-	-	-	-	-
(39,916)	(63,452)	(242,372)	(6,692)	(213)	(105,356)
5,126	-	232,361	2,164	-	95,095
(33,503)	-	29,011	-	-	9,216
-	100,655	28,714	53,979	707	232
-	-	-	-	-	-
-	100,655	28,714	53,979	707	232
(31,413)	(100,655)	(23,264)	(54)	-	(232)
(31,413)	-	5,450	53,925	707	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
Cash Reconciliation (Continued)
June 30, 2017

	Local or State Fund 29000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700
Cash, June 30, 2016	3,882	-	69,470
Add:			
2016-17 Transfers	-	-	-
2016-17 Revenues	-	-	1,606
Total cash available	3,882	-	71,076
Less:			
2016-17 Transfers	-	-	(313,878)
2016-17 Expenditures	-	(385,427)	-
Receivables/Payables	-	293,488	76,698
Outstanding Loans	-	91,939	166,104
Cash June 30, 2017	3,882	-	-
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	-	-	-
Cash per Books	3,882	-	-
Fund Balance (Deficit) Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	(127)	-	-
Fund Balance (Deficit), Modified Accrual Basis	3,755	-	-

The accompanying notes are an integral part of these financial statements

SB-9 Capital Improvements (Local)	
31701	Total
69,470	286,370
313,878	313,878
125,748	3,806,154
509,096	4,406,402
-	(313,878)
(1,725)	(4,351,878)
(69,470)	668,077
(385,427)	-
52,474	408,723
-	-
52,474	408,723
Less: Agency funds	(100,655)
	308,068
385,427	244,850
437,901	653,573

MEDIA ARTS COLLABORATIVE CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets

Cash and Cash Equivalents	\$	503,232
Receivables		
Due from Other Governments		91,579
Total Current Assets		<u>594,811</u>

Noncurrent Assets

Capital Assets		
Land		410,000
Furniture, Fixtures, and Equipment		158,882
Building and Improvements		1,581,533
Less: Accumulated Depreciation		(454,856)
Total Noncurrent Assets		<u>1,695,559</u>

Total Assets		<u>2,290,370</u>
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Deferred Outflows - Pension Related		<u>903,392</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities

Accrued Liabilities		109,334
Current Portion of Long-Term Debt		79,499
Total Current Liabilities		<u>188,833</u>

Noncurrent Liabilities

Long-Term Debt		499,707
Net Pension Liability		3,475,158
Total Noncurrent Liabilities		<u>3,974,865</u>

Total Liabilities		<u>4,163,698</u>
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Deferred Inflows - Pension Related		<u>33,053</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets		1,116,353
Restricted		244,208
Unrestricted (Deficit)		(2,363,550)
Total Net Position (Deficit)	\$	<u>(1,002,989)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges For Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,674,647	10,935	410,745	-	(1,252,967)
Support Services:					
Students	419,571	-	-	-	(419,571)
Instruction	14,469	-	-	-	(14,469)
General Administration	39,007	-	-	-	(39,007)
School Administration	403,080	-	-	-	(403,080)
Central Services	125,895	-	-	-	(125,895)
Operation & Maintenance of Plant	294,600	-	-	-	(294,600)
Community Services Operations	14,187	-	-	-	(14,187)
Food Services	73,768	8,883	38,280	-	(26,605)
Facilities Materials, Supplies & Other Services	237,748	-	-	191,056	(46,692)
Total Governmental Activities	\$ 3,296,972	19,818	449,025	191,056	(2,637,073)
General Revenues:					
Property Taxes					\$ 235,748
State Equalization Guarantee					2,099,410
Total General Revenues					2,335,158
Change in Net Position					(301,915)
Net Position (Deficit), Beginning					(701,074)
Net Position (Deficit), Ending					\$ (1,002,989)

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Balance Sheets - Governmental Funds
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000
ASSETS			
Cash and Cash Equivalents	\$ 266,244	14,835	374
Accounts Receivable			
Due from Government	-	-	3,846
Due from Other Funds	84,359	-	-
Total Assets	\$ 350,603	14,835	4,220
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Expenses	\$ 109,334	-	-
Due to Other Funds	-	-	-
Total Liabilities	109,334	-	-
Fund Balances			
Fund Balance:			
Restricted for:			
Instruction	-	14,835	-
Food Service Operations	-	-	4,220
Capital Improvements	-	-	-
Assigned to:			
Subsequent Years Expenditures and Other Programs	-	-	-
Unassigned:	241,269	-	-
Total Fund Balance	241,269	14,835	4,220
Total Liabilities and Fund Balance	\$ 350,603	14,835	4,220

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title I School Improvement 24162	Carl D Perkins HSTW 24180
-	-	-	-	-
8,813	13,313	2,072	11,803	30,068
-	-	-	-	-
<u>8,813</u>	<u>13,313</u>	<u>2,072</u>	<u>11,803</u>	<u>30,068</u>
-	-	-	-	-
8,813	13,313	2,072	11,803	30,068
<u>8,813</u>	<u>13,313</u>	<u>2,072</u>	<u>11,803</u>	<u>30,068</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>8,813</u>	<u>13,313</u>	<u>2,072</u>	<u>11,803</u>	<u>30,068</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Balance Sheets - Governmental Funds - (Continued)
June 30, 2017

	Math/Science Pilot 26122	Qwest Foundation for Education 26175	Dual Credit Instructional Materials 27103
ASSETS			
Cash and Cash Equivalents	\$ -	1,929	-
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	-	-	-
Total Assets	\$ -	1,929	-
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Expenses	\$ -	-	-
Due to Other Funds	-	-	-
Total Liabilities	-	-	-
Fund Balances			
Fund Balance:			
Restricted for:			
Instruction	-	1,929	-
Food Service Operations	-	-	-
Capital Improvements	-	-	-
Assigned to:			
Subsequent Years Expenditures and Other Programs	-	-	-
Unassigned:	-	-	-
Total Fund Balance	-	1,929	-
Total Liabilities and Fund Balance	\$ -	1,929	-

Charter School Planning 27112	Truancy Initiative 27141	Beginning Teacher Mentoring 27154	Teachers Hard to Staff 27195	McCune Charitable Foundation 29114
50	-	792	-	25,673
-	9,147	-	2,919	-
-	-	-	-	-
<u>50</u>	<u>9,147</u>	<u>792</u>	<u>2,919</u>	<u>25,673</u>
-	-	-	-	-
-	9,147	-	2,919	-
-	9,147	-	2,919	-
50	-	792	-	25,673
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>50</u>	<u>-</u>	<u>792</u>	<u>-</u>	<u>25,673</u>
<u>50</u>	<u>9,147</u>	<u>792</u>	<u>2,919</u>	<u>25,673</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Balance Sheets - Governmental Funds - (Continued)
June 30, 2017**

	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	HB-33 Capital Improvements 31600
ASSETS			
Cash and Cash Equivalents	\$ -	-	154,375
Accounts Receivable			
Due from Government	-	-	2,144
Due from Other Funds	-	-	-
Total Assets	\$ -	-	156,519
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Expenses	\$ -	-	-
Due to Other Funds	-	-	-
Total Liabilities	-	-	-
Fund Balances			
Fund Balance:			
Restricted for:			
Instruction	-	-	-
Food Service Operations	-	-	-
Capital Improvements	-	-	156,519
Assigned to:			
Subsequent Years Expenditures and Other Programs			
Unassigned:	-	-	-
Total Fund Balance	-	-	156,519
Total Liabilities and Fund Balance	\$ -	-	156,519

SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
-	38,960	503,232
6,224	1,230	91,579
-	-	84,359
<u>6,224</u>	<u>40,190</u>	<u>679,170</u>
-	-	109,334
<u>6,224</u>	<u>-</u>	<u>84,359</u>
<u>6,224</u>	<u>-</u>	<u>193,693</u>
-	-	43,279
-	-	4,220
-	40,190	196,709
-	-	241,269
-	40,190	485,477
<u>6,224</u>	<u>40,190</u>	<u>679,170</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund balances - Total Governmental Funds \$ 485,477

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

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

Capital Assets	2,150,415	
Accumulated Depreciation	<u>(454,856)</u>	
		1,695,559

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		903,392
---	--	---------

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		
Capital Lease		(579,206)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(33,053)
--	--	----------

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(3,475,158)</u>
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Net Position (Deficit)-Total Governmental Activities \$ (1,002,989)

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Statement of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	140	-	-
State Grant	2,099,410	16,053	-
Federal Grant	-	-	38,280
Charges for Services	10,935	-	8,883
Total Revenues	2,110,485	16,053	47,163
Expenditures:			
Current:			
Instruction	1,220,956	22,438	-
Support Services:			
Students	310,842	-	-
Instruction	14,469	-	-
General Administration	38,867	-	-
School Administration	345,815	-	-
Central Services	109,663	-	-
Operation & Maintenance of Plant	237,055	-	-
Food Services Operations	22,420	-	47,029
Community Services Operations	-	-	-
Capital Outlay	2,493	-	-
Total Expenditures	2,302,580	22,438	47,029
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(192,095)	(6,385)	134
Other Financing Sources (Uses):			
Operating Transfers	-	-	-
Total Other Financing Sources (Uses):	-	-	-
Net Changes in Fund Balances	(192,095)	(6,385)	134
Fund Balances - Beginning of Year	433,364	21,220	4,086
Fund Balances - End of Year	\$ 241,269	14,835	4,220

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title I School Improvement 24162	Carl D Perkins HSTW 24180
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
48,421	43,916	9,856	44,561	101,005
-	-	-	-	-
<u>48,421</u>	<u>43,916</u>	<u>9,856</u>	<u>44,561</u>	<u>101,005</u>
48,421	43,916	9,856	44,561	43,878
-	-	-	-	38,018
-	-	-	-	-
-	-	-	-	-
-	-	-	-	19,109
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>48,421</u>	<u>43,916</u>	<u>9,856</u>	<u>44,561</u>	<u>101,005</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Statement of Revenues, Expenditures, And Changes In Fund Balances - (Continued)
Governmental Funds
For The Year Ended June 30, 2017**

	Math/Science Pilot 26122	Qwest Foundation for Education 26175	Dual Credit Instructional Materials 27103
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	1,000	-	-
State Grant	-	-	3,232
Federal Grant	-	-	-
Charges for Services	-	-	-
Total Revenues	1,000	-	3,232
Expenditures:			
Current:			
Instruction	1,000	4,327	3,232
Support Services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Food Services Operations	-	-	-
Community Services Operations	-	-	-
Capital Outlay	-	-	-
Total Expenditures	1,000	4,327	3,232
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	(4,327)	-
Other Financing Sources (Uses):			
Operating Transfers	-	-	-
Total Other Financing Sources (Uses):	-	-	-
Net Changes in Fund Balances	-	(4,327)	-
Fund Balances - Beginning of Year	-	6,256	-
Fund Balances - End of Year	\$ -	1,929	-

Charter School Planning 27112	Truancy Initiative 27141	Beginning Teacher Mentoring 27154	Teachers Hard to Staff 27195	McCune Charitable Foundation 29114
-	-	-	-	-
-	-	-	-	20,000
-	31,230	-	12,150	-
-	-	-	-	-
-	-	-	-	-
-	31,230	-	12,150	20,000
-	-	-	12,150	-
-	31,230	-	-	-
-	-	-	-	-
-	-	-	-	140
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	14,187
-	-	-	-	-
-	31,230	-	12,150	14,327
-	-	-	-	5,673
-	-	-	-	-
-	-	-	-	-
-	-	-	-	5,673
50	-	792	-	20,000
50	-	792	-	25,673

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Statement of Revenues, Expenditures, And Changes In Fund Balances - (Continued)
Governmental Funds
For The Year Ended June 30, 2017**

	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	HB-33 Capital Improvements 31600
REVENUES			
Property Taxes	\$ -	-	156,519
Local & County Grant	-	-	-
State Grant	158,410	94,054	-
Federal Grant	-	-	-
Charges for Services	-	-	-
Total Revenues	158,410	94,054	156,519
Expenditures:			
Current:			
Instruction	-	-	-
Support Services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Food Services Operations	-	-	-
Community Services Operations	-	-	-
Capital Outlay	158,410	94,054	-
Total Expenditures	158,410	94,054	-
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	-	156,519
Other Financing Sources (Uses):			
Operating Transfers	-	-	-
Total Other Financing Sources (Uses):	-	-	-
Net Changes in Fund Balances	-	-	156,519
Fund Balances - Beginning of Year	-	-	-
Fund Balances - End of Year	\$ -	-	156,519

SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
-	79,229	235,748
-	-	21,140
17,773	-	2,432,312
-	-	286,039
-	-	19,818
<u>17,773</u>	<u>79,229</u>	<u>2,995,057</u>
-	-	1,454,735
-	-	380,090
-	-	14,469
-	-	39,007
-	-	364,924
-	-	109,663
-	-	237,055
-	-	69,449
-	-	14,187
17,773	67,860	340,590
<u>17,773</u>	<u>67,860</u>	<u>3,024,169</u>
-	11,369	(29,112)
<u>(28,821)</u>	<u>28,821</u>	<u>-</u>
<u>(28,821)</u>	<u>28,821</u>	<u>-</u>
<u>(28,821)</u>	<u>40,190</u>	<u>(29,112)</u>
<u>28,821</u>	<u>-</u>	<u>514,589</u>
<u>-</u>	<u>40,190</u>	<u>485,477</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
June 30, 2017**

Net change in fund balances-total governmental funds \$ (29,112)

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

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 capital outlay exceeds
depreciation for the period

Capital Outlays	38,644	
Depreciation Expense	(66,122)	
	(27,478)	(27,478)

The issuance of long-term debt (e.g., bonds, notes, leases) provide 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.

Principal payment of the capital lease obligation	75,955
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Changes in deferred outflows of resources-pension related, deferred	(321,280)
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Change in net position-total governmental activities **\$ (301,915)**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Statement of Fiduciary Assets and Liabilities-Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 1,639
Total Assets	<u>\$ 1,639</u>
 LIABILITIES	
Deposits Held for Others	\$ 1,639
Total Liabilities	<u>\$ 1,639</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
ASSETS				
Cash in Bank	\$ 4,519	6,832	9,712	1,639
Total assets	\$ 4,519	6,832	9,712	1,639
LIABILITIES				
Deposits Held for Others	\$ 4,519	6,832	9,712	1,639
Total liabilities	\$ 4,519	6,832	9,712	1,639

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Media Arts Collaborative Charter School’s capitalization policy (i.e., the dollar value above that the asset acquisitions are added to the capital accounts) is \$5,000. Media Arts Collaborative Charter School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Media Arts Collaborative Charter School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, fixtures and equipment	5 years
Buildings and Improvements	40 years

Capital assets for the Media Arts Collaborative Charter School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 410,000	-	-	410,000
Total	410,000	-	-	410,000
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 120,238	38,644	-	158,882
Buildings and Improvements	1,581,533	-	-	1,581,533
Total	1,701,771	38,644	-	1,740,415
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	\$ (59,357)	(16,442)	-	(75,799)
Buildings and Improvements	(329,377)	(49,680)	-	(379,057)
Total	(388,734)	(66,122)	-	(454,856)
Capital Assets, Net	\$ 1,723,037	(27,478)	-	1,695,559

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$	1,383
Instructional Support		2,077
Operations/Plant Maintenance		50,905
Facilities Materials, Supplies and Other Services		11,757
Total	\$	66,122

NOTE 3. COMMITMENTS AND LIABILITIES

Media Arts Collaborative School leased equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2017, was \$96,917. The school's minimum future payments on these leases are as follows:

Year Ending June 30:		
2018	\$	87,216
2019		86,691
2020		86,691
2021		86,691
2022		86,691
Total lease payments	\$	<u>433,980</u>

The following is an analysis of the leased property under capital leases by major classes included in the summary of capital assets.

Classes of Property	Asset Balance
Building	\$ 1,458,773
Less: Accumulated Depreciation	(286,989)
	<u>\$ 1,171,784</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES (CONTINUED)

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2017. Principal payments for the year ended June 30, 2017 were \$75,955.

Year Ending June 30:	Principal	Interest	Total
2018	\$ 79,499	24,815	104,314
2019	83,209	21,105	104,314
2020	87,092	17,222	104,314
2021	91,157	13,157	104,314
2022	95,413	8,901	104,314
2023-2024	142,836	4,941	147,777
Total	\$ 579,206	90,141	669,347

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Media Arts Collaborative Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Media Arts Collaborative Charter School paid employee and employer contributions of \$351,997 and \$339,254.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Media Arts Collaborative Charter School reported a liability of \$3,475,158 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016

Media Arts Collaborative Charter School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Media Arts Collaborative Charter School's proportion was 0.04829%, which was an increase of 0.00135% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Media Arts Collaborative Charter School recognized pension expense of \$521,235. As of June 30, 2017, Media Arts Collaborative Charter School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,077	(33,053)
Changes in assumptions	70,740	-
Net difference between projected and actual earnings on pension plan investments	207,438	-
Changes in proportion and differences between Media Arts Collaborative Charter School's contributions and proportionate share of contributions	411,245	-
Media Art Collaborative Charter School's contributions subsequent to the measurement date	198,892	-
Total	\$ <u>903,392</u>	<u>(33,053)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

The amount \$198,892 reported as deferred outflows of resources related to pensions resulting from Media Arts Collaborative Charter School’s contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	256,762
2019		248,222
2020		115,877
2021		50,586
Total	\$	<u>671,447</u>

Sensitivity of Media Arts Collaborative Charter School’s proportionate share of the net pension liability to changes in the discount rate. The following presents Media Arts Collaborative Charter School’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what Media Arts Collaborative Charter 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:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Media Arts Collaborative Charter School’s proportionate share of the net pension liability	\$ <u>4,602,766</u>	3,475,158	<u>2,539,562</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

NOTE 5. BUDGETARY INFORMATION

A budget was not adopted for IDEA-B Risk Pool Fund 24120 and Charter School Planning Fund 27112. Therefore, budgetary schedules are not provided for these funds.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.00%	0.05%	0.04%
School's Proportionate Share of Net Pension Liability (Asset)	\$	3,475	3,040	2,045
School's Covered-Employee Payroll	\$	1,431	1,282	988
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		242.84%	237.23%	207.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Media Arts Collaborative Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	2015	2016	2017
Contractually Required Contribution	\$ 185	192	199
Contributions in Relation to the Contractually Required Contribution	185	192	199
Contribution Deficiency (Excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Media Arts Collaborative Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Local & County Grant	\$ -	-	140	140
State Grant	2,177,488	2,099,410	2,099,410	-
Charges for Services	2,000	12,243	10,935	(1,308)
Total Revenues	2,179,488	2,111,653	2,110,485	(1,168)
EXPENDITURES				
Current:				
Instruction	1,246,272	1,271,937	1,220,956	50,981
Support Services:				
Students	328,750	347,192	310,842	36,350
Instruction	17,600	21,600	14,469	7,131
General Administration	47,100	58,800	39,678	19,122
School Administration	376,823	361,783	346,207	15,576
Central Services	109,277	112,747	109,663	3,084
Operation & Maintenance of Plant	340,310	339,372	237,798	101,574
Food Services Operations	18,988	28,533	22,420	6,113
Capital outlay	100,000	5,000	2,493	2,507
Total Expenditures	2,585,120	2,546,964	2,304,526	242,438
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(405,632)	(435,311)	(194,041)	241,270
Other Financing Sources (Uses):				
Designated Cash	433,364	433,364	-	(433,364)
Total other Financing Sources (Uses):	433,364	433,364	-	(433,364)
Net Changes in Fund Balances	27,732	(1,947)	(194,041)	(192,094)
Cash or Fund Balances - Beginning of Year	433,364	433,364	433,364	-
Cash or Fund Balances - End of Year	\$ 461,096	431,417	239,323	(192,094)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (194,041)	
Adjustments to Revenues			-	
Adjustments to Expenditures			1,946	
NET CHANGE IN FUND BALANCE			\$ (192,095)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 14,313	12,079	16,053	3,974
Total Revenues	<u>14,313</u>	<u>12,079</u>	<u>16,053</u>	<u>3,974</u>
EXPENDITURES				
Current:				
Instruction	34,263	33,299	22,438	10,861
Total Expenditures	<u>34,263</u>	<u>33,299</u>	<u>22,438</u>	<u>10,861</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(19,950)	(21,220)	(6,385)	14,835
Other Financing Sources (Uses):				
Designated Cash	21,220	21,220	-	(21,220)
Total other Financing Sources (Uses):	<u>21,220</u>	<u>21,220</u>	<u>-</u>	<u>(21,220)</u>
Net Changes in Fund Balances	<u>1,270</u>	<u>-</u>	<u>(6,385)</u>	<u>(6,385)</u>
Cash or Fund Balances - Beginning of Year	<u>21,220</u>	<u>21,220</u>	<u>21,220</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 22,490</u>	<u>21,220</u>	<u>14,835</u>	<u>(6,385)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (6,385)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (6,385)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 46,000	38,281	38,280	(1)
Charges for Services	9,000	9,000	8,883	(117)
Total Revenues	<u>55,000</u>	<u>47,281</u>	<u>47,163</u>	<u>(118)</u>
EXPENDITURES				
Current:				
Food Services Operations	56,437	47,521	47,029	492
Total Expenditures	<u>56,437</u>	<u>47,521</u>	<u>47,029</u>	<u>492</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,437)	(240)	134	374
Other Financing Sources (Uses):				
Designated Cash	240	240	-	(240)
Total Other Financing Sources (Uses):	<u>240</u>	<u>240</u>	<u>-</u>	<u>(240)</u>
Net Changes in Fund Balances	<u>(1,197)</u>	<u>-</u>	<u>134</u>	<u>134</u>
Cash or Fund Balances - Beginning of Year	4,086	4,086	4,086	-
Cash or Fund Balances - End of Year	<u>\$ 2,889</u>	<u>4,086</u>	<u>4,220</u>	<u>134</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 134	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 134</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 48,810	48,421	39,608	(8,813)
Total Revenues	<u>48,810</u>	<u>48,421</u>	<u>39,608</u>	<u>(8,813)</u>
EXPENDITURES				
Current:				
Instruction	48,810	48,421	48,421	-
Total Expenditures	<u>48,810</u>	<u>48,421</u>	<u>48,421</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(8,813)</u>	<u>(8,813)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(8,813)</u>	<u>(8,813)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (8,813)	
Adjustments to Revenues			8,813	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 31,550	44,816	30,603	(14,213)
Total Revenues	<u>31,550</u>	<u>44,816</u>	<u>30,603</u>	<u>(14,213)</u>
EXPENDITURES				
Current:				
Instruction	31,550	44,816	43,916	900
Total Expenditures	<u>31,550</u>	<u>44,816</u>	<u>43,916</u>	<u>900</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(13,313)</u>	<u>(13,313)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(13,313)</u>	<u>(13,313)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (13,313)	
Adjustments to Revenues			13,313	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 7,784	9,856	7,784	(2,072)
Total Revenues	<u>7,784</u>	<u>9,856</u>	<u>7,784</u>	<u>(2,072)</u>
EXPENDITURES				
Current:				
Instruction	7,784	9,856	9,856	-
Total Expenditures	<u>7,784</u>	<u>9,856</u>	<u>9,856</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,072)</u>	<u>(2,072)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,072)</u>	<u>(2,072)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (2,072)	
Adjustments to Revenues			2,072	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Title I School Improvement 24162
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 45,000	45,000	32,758	(12,242)
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>32,758</u>	<u>(12,242)</u>
EXPENDITURES				
Current:				
Instruction	45,000	45,000	44,561	439
Total Expenditures	<u>45,000</u>	<u>45,000</u>	<u>44,561</u>	<u>439</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(11,803)</u>	<u>(11,803)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,803)</u>	<u>(11,803)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (11,803)	
Adjustments to Revenues			11,803	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Carl D. Perkins HSTW 24180
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 98,348	110,141	70,937	(39,204)
Total Revenues	<u>98,348</u>	<u>110,141</u>	<u>70,937</u>	<u>(39,204)</u>
EXPENDITURES				
Current:				
Instruction	50,357	44,000	43,878	122
Support Services:				
Students	35,111	46,998	38,018	8,980
School Administration	12,880	19,143	19,109	34
Total Expenditures	<u>98,348</u>	<u>110,141</u>	<u>101,005</u>	<u>9,136</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(30,068)</u>	<u>(30,068)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(30,068)</u>	<u>(30,068)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (30,068)	
Adjustments to Revenues			30,068	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Math/Science Pilot 26122
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Local & County Grant	\$ -	1,000	1,000	-
Total Revenues	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	1,000	1,000	-
Total Expenditures	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>6,768</u>	<u>-</u>	<u>(6,768)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>6,768</u>	<u>-</u>	<u>(6,768)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
QWEST Foundation for Education 26175
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	6,256	-	(6,256)
Total Revenues	-	6,256	-	(6,256)
EXPENDITURES				
Current:				
Instruction	-	6,256	4,327	1,929
Total Expenditures	-	6,256	4,327	1,929
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(4,327)	(4,327)
Other Financing Sources (Uses):				
Designated Cash	-	6,256	-	(6,256)
Total other Financing Sources (Uses):	-	6,256	-	(6,256)
Net Changes in Fund Balances	-	6,256	(4,327)	(10,583)
Cash or Fund Balances - Beginning of Year	6,256	6,256	6,256	-
Cash or Fund Balances - End of Year	\$ 6,256	12,512	1,929	(10,583)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ (4,327)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (4,327)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	3,232	3,232	-
Total Revenues	<u>-</u>	<u>3,232</u>	<u>3,232</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	3,232	3,232	-
Total Expenditures	<u>-</u>	<u>3,232</u>	<u>3,232</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues				
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Truancy Initiative 27141
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	35,183	22,083	(13,100)
Total Revenues	-	35,183	22,083	(13,100)
EXPENDITURES				
Current:				
Support Services:				
Students	-	35,183	31,230	3,953
Total Expenditures	-	35,183	31,230	3,953
Net Changes in Fund Balances	-	-	(9,147)	(9,147)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(9,147)	(9,147)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (9,147)	
Adjustments to Revenues			9,147	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Teachers Hard to Staff 27195
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	12,150	9,231	(2,919)
Total Revenues	<u>-</u>	<u>12,150</u>	<u>9,231</u>	<u>(2,919)</u>
EXPENDITURES				
Current:				
Instruction	-	12,150	12,150	-
Total Expenditures	<u>-</u>	<u>12,150</u>	<u>12,150</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,919)</u>	<u>(2,919)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,919)</u>	<u>(2,919)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (2,919)	
Adjustments to Revenues			2,919	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
McCune Charitable Foundation 29114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	40,000	20,000	(20,000)
Total Revenues	-	40,000	20,000	(20,000)
EXPENDITURES				
Current:				
Support Services:				
General Administration	-	140	140	-
Community Service Operations	-	39,860	14,187	25,673
Total Expenditures	-	40,000	14,327	25,673
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	5,673	5,673
Other Financing Sources (Uses):				
Designated Cash	20,000	20,000	-	(20,000)
Total other Financing Sources (Uses):	20,000	20,000	-	(20,000)
Net Changes in Fund Balances	20,000	20,000	5,673	(14,327)
Cash or Fund Balances - Beginning of Year	20,000	20,000	20,000	-
Cash or Fund Balances - End of Year	\$ 40,000	40,000	25,673	(14,327)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 5,673	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 5,673	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	158,410	158,410	-
Total Revenues	-	158,410	158,410	-
EXPENDITURES				
Current:				
Capital outlay	-	158,410	158,410	-
Total Expenditures	-	158,410	158,410	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay - State 31400
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 159,212	235,704	94,054	(141,650)
Total Revenues	<u>159,212</u>	<u>235,704</u>	<u>94,054</u>	<u>(141,650)</u>
EXPENDITURES				
Current:				
Capital outlay	159,212	235,704	94,054	141,650
Total Expenditures	<u>159,212</u>	<u>235,704</u>	<u>94,054</u>	<u>141,650</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	158,458	154,375	(4,083)
Total Revenues	<u>-</u>	<u>158,458</u>	<u>154,375</u>	<u>(4,083)</u>
EXPENDITURES				
Current:				
Capital outlay	-	158,458	-	158,458
Total Expenditures	<u>-</u>	<u>158,458</u>	<u>-</u>	<u>158,458</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>154,375</u>	<u>154,375</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>154,375</u>	<u>154,375</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 154,375	
Adjustments to Revenues			2,144	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 156,519</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 11,549	17,773	11,549	(6,224)
Total Revenues	<u>11,549</u>	<u>17,773</u>	<u>11,549</u>	<u>(6,224)</u>
EXPENDITURES				
Current:				
Capital outlay	11,549	17,773	17,773	-
Total Expenditures	<u>11,549</u>	<u>17,773</u>	<u>17,773</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(6,224)	(6,224)
Other Financing Sources (Uses):				
Operating transfers	(28,821)	(28,821)	(28,821)	-
Total other Financing Sources (Uses):	<u>(28,821)</u>	<u>(28,821)</u>	<u>(28,821)</u>	<u>-</u>
Net Changes in Fund Balances	<u>(28,821)</u>	<u>(28,821)</u>	<u>(35,045)</u>	<u>(6,224)</u>
Cash or Fund Balances - Beginning of Year	<u>28,821</u>	<u>28,821</u>	<u>28,821</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(6,224)</u>	<u>(6,224)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ (6,224)	
Adjustments to Revenues			6,224	
Adjustments to Expenditures			(28,821)	
NET CHANGE IN FUND BALANCE			<u>\$ (28,821)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 79,408	79,408	79,087	(321)
Total Revenues	79,408	79,408	79,087	(321)
EXPENDITURES				
Current:				
Capital outlay	97,008	118,067	77,699	40,368
Total Expenditures	97,008	118,067	77,699	40,368
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,600)	(38,659)	1,388	40,047
Other Financing Sources (Uses):				
Operating transfers	28,821	28,821	28,821	-
Total other Financing Sources (Uses):	28,821	28,821	28,821	-
Net Changes in Fund Balances	11,221	(9,838)	30,209	40,047
Cash or Fund Balances - Beginning of Year	28,821	28,821	-	(28,821)
Cash or Fund Balances - End of Year	\$ 40,042	18,983	30,209	11,226
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 1,388	
Adjustments to Revenues			28,963	
Adjustments to Expenditures			9,839	
NET CHANGE IN FUND BALANCE			\$ 40,190	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
US Bank	FHLMC FGLMC G01511	31283HVC6	2/1/2033	\$ 82,323
US Bank	FHLMC FGLMC G01554	31283HWP6	5/1/2033	198,714
				<u>\$ 281,037</u>
			Total Cash per Schedule of Cash Accounts	\$ 542,591
			Less: FDIC coverage:	<u>(371,333)</u>
			Uninsured Public Funds:	171,258
			Collateral Requirement:	85,629
			Pledged Collateral Held by Pledging Financial Institution:	<u>281,037</u>
			Balance Over Collateralized:	<u><u>\$ (195,408)</u></u>
			Balance Uninsured and Uncollateralized at June 30, 2017:	<u><u>\$ -</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>US Bank</u>	<u>NM Educators</u>	<u>Bank of the West</u>	<u>Total</u>
Checking - Operational Account	\$ 421,258	71,333	50,000	542,591
Total on Deposit	421,258	71,333	50,000	542,591
Reconciling Items	(37,720)	-	-	(37,720)
Reconciled Balance June 30, 2017	<u>\$ 383,538</u>	<u>71,333</u>	<u>50,000</u>	504,871
Less Agency Funds				<u>(1,639)</u>
Total Cash				<u>\$ 503,232</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ 340,207	21,220	240
Add:			
2016-17 Revenues	2,110,484	16,053	47,163
Total Cash Available	2,450,691	37,273	47,403
Less:			
2016-17 Expenditures	(2,304,525)	(22,438)	(47,029)
Permanent Cash Transfer	-	-	-
Receivables/Payables	109,334	-	-
Outstanding Loans	(84,359)	-	-
Cash June 30, 2017	171,141	14,835	374
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	95,103	-	-
Cash per Books	266,244	14,835	374
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	(24,975)	-	3,846
Fund Balance, Modified Accrual Basis	\$ 241,269	14,835	4,220

The accompanying notes are an integral part of these financial statements

Agency Funds 23000	Federal Projects Account 24000	Local Grants Fund 26000	State Flow Through Fund 27000	Local or State Fund 29000
4,519	-	6,256	842	20,000
6,832	181,690	1,000	34,546	20,000
11,351	181,690	7,256	35,388	40,000
(9,712)	(247,759)	(5,327)	(46,612)	(14,327)
-	-	-	-	-
-	-	-	-	-
-	66,069	-	12,066	-
1,639	-	1,929	842	25,673
-	-	-	-	-
1,639	-	1,929	842	25,673
(1,639)	-	-	-	-
-	-	1,929	842	25,673

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL
Cash Reconciliation
June 30, 2017**

	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	HB-33 Capital Improvements 31600
Cash, June 30, 2016	\$ -	-	-
Add:			
2016-17 Revenues	158,410	94,054	154,375
Total Cash Available	158,410	94,054	154,375
Less:			
2016-17 Expenditures	(158,410)	(94,054)	-
Permanent Cash Transfer	-	-	-
Receivables/Payables	-	-	-
Outstanding Loans	-	-	-
Cash June 30, 2017	-	-	154,375
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	-	-	-
Cash per Books	-	-	154,375
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	-	-	2,144
Fund Balance, Modified Accrual Basis	\$ -	-	156,519

The accompanying notes are an integral part of these financial statements

SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total Government
37,572	-	430,856
11,549	79,087	2,915,243
49,121	79,087	3,346,099
(17,773)	(77,699)	(3,045,665)
(28,821)	28,821	
-	-	109,334
6,224	-	-
8,751	30,209	409,768
(8,751)	8,751	95,103
-	38,960	504,871
	Less: Agency Funds:	(1,639)
		<u>\$ 503,232</u>
-	1,230	(19,394)
-	40,190	485,477
Balance Sheets-Governmental Funds:		<u>\$ 485,477</u>

MISSION ACHIEVEMENT AND SUCCESS CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 898,018
Receivables	
Due from Other Governments	278,309
Total Current Assets	<u>1,176,327</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	312,063
Less: Accumulated Depreciation	<u>(122,811)</u>
Total Noncurrent Assets	<u>189,252</u>
Total Assets	<u>1,365,579</u>

Deferred Outflows - Pension Related	<u>3,448,776</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	53,038
Accrued Liabilities	<u>330,198</u>
Total Current Liabilities	<u>383,236</u>

Noncurrent Liabilities:

Net Pension Liability	<u>6,845,964</u>
Total Noncurrent Liabilities	<u>6,845,964</u>
Total Liabilities	<u>7,229,200</u>

Deferred Inflows - Pension Related	<u>65,114</u>
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NET POSITION (DEFICIT)

Investment in Capital Assets	189,252
Restricted	49,305
Unrestricted (Deficit)	<u>(2,718,516)</u>
Total Net Position (Deficit)	<u>\$ (2,479,959)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 5,635,887	-	788,036	-	(4,847,851)
Support Services:					
Students	476,011	-	-	-	(476,011)
Instruction	16,678	-	-	-	(16,678)
General Administration	41,156	-	-	-	(41,156)
School Administration	531,609	-	-	-	(531,609)
Central Services	282,135	-	-	-	(282,135)
Operation & Maintenance of Plant	801,218	-	-	-	(801,218)
Student Transportation	127,151	-	87,652	-	(39,499)
Food Services	660,977	-	632,147	-	(28,830)
Facilities Materials, Supplies & Other Services	655,688	-	-	629,064	(26,624)
Total Governmental Activities	\$ 9,228,510	-	1,507,835	629,064	(7,091,611)
General Revenues:					
Property Taxes					\$ 368,125
State Equalization Guarantee					5,884,320
Total General Revenues					<u>6,252,445</u>
Change in Net Position					(839,166)
Net Position (Deficit), Beginning of year					<u>(1,640,793)</u>
Net Position (Deficit), Ending					<u>\$ (2,479,959)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Balance Sheets - Governmental Funds
June 30, 2017**

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
ASSETS			
Cash and Cash Equivalents	\$ 457,010	-	14,671
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	243,986	-	-
Total Assets	\$ 700,996	-	14,671
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 35,098	-	-
Accrued Expenditures	305,713	-	-
Due to Other Funds	-	-	-
Total Liabilities	340,811	-	-
Fund Balances			
Fund Balance:			
Restricted for:			
Instruction	-	-	14,671
Food Service Operations	-	-	-
Capital Improvements	-	-	-
Assigned to:			
Subsequent Years Expenditures and Other Programs	360,185	-	-
Unassigned		-	-
Total Fund Balance	360,185	-	14,671
Total Liabilities and Fund Balances	\$ 700,996	-	14,671

Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Medicaid 3/21 Years 25153
36,710	-	-	-	21,502
9,838	44,319	9,551	43,871	-
-	-	-	-	-
<u>46,548</u>	<u>44,319</u>	<u>9,551</u>	<u>43,871</u>	<u>21,502</u>
11,914	-	-	-	6,026
-	533	1,658	-	-
-	43,786	7,893	43,871	-
<u>11,914</u>	<u>44,319</u>	<u>9,551</u>	<u>43,871</u>	<u>6,026</u>
-	-	-	-	-
34,634	-	-	-	-
-	-	-	-	-
-	-	-	-	15,476
-	-	-	-	-
<u>34,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,476</u>
<u>46,548</u>	<u>44,319</u>	<u>9,551</u>	<u>43,871</u>	<u>21,502</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Dual Credit Instructional Materials 27103	2012 Student Library SB-66 27107	New Mexico Reads to Lead K-3 27114
ASSETS			
Cash and Cash Equivalents	\$ -	-	-
Accounts Receivable			
Due from Government	303	-	24,341
Due from Other Funds	-	-	-
Total Assets	\$ 303	-	24,341
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	-	-
Accrued Expenditures	-	-	6,103
Due to Other Funds	303	-	18,238
Total Liabilities	303	-	24,341
Fund Balances			
Fund Balance:			
Restricted for:			
Instruction	-	-	-
Food Service Operations	-	-	-
Capital Improvements	-	-	-
Assigned to:			
Subsequent Years Expenditures and Other Programs	-	-	-
Unassigned	-	-	-
Total Fund Balance	-	-	-
Total Liabilities and Fund Balances	\$ 303	-	24,341

Truancy Initiative PED 27141	NM Grown Fresh Fruit 27183	College Counselor Initiative 27189	Teachers Hard to Staff Stipend 27195	Public School Capital Outlay 31200
-	-	-	-	-
20,213	-	6,281	25,782	-
-	-	-	-	-
<u>20,213</u>	<u>-</u>	<u>6,281</u>	<u>25,782</u>	<u>-</u>
-	-	-	-	-
10,130	-	5,991	70	-
10,083	-	290	25,712	-
<u>20,213</u>	<u>-</u>	<u>6,281</u>	<u>25,782</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>20,213</u>	<u>-</u>	<u>6,281</u>	<u>25,782</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Special Capital Outlay State 31400	HB-33 Capital Improvements 31600	Total
ASSETS			
Cash and Cash Equivalents	\$ -	368,125	898,018
Accounts Receivable			
Due from Government	93,810	-	278,309
Due from Other Funds	-	-	243,986
Total Assets	\$ 93,810	368,125	1,420,313
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ -	-	53,038
Accrued Expenditures	-	-	330,198
Due to Other Funds	93,810	-	243,986
Total Liabilities	93,810	-	627,222
<i>Fund Balances</i>			
Fund Balance:			
Restricted for:			
Instruction	-	-	14,671
Food Service Operations	-	-	34,634
Capital Improvements	-	368,125	368,125
Assigned to:			
Subsequent Years Expenditures and Other Programs	-	-	375,661
Unassigned	-	-	-
Total Fund Balance	-	368,125	793,091
Total Liabilities and Fund Balances	\$ 93,810	368,125	1,420,313

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds \$ 793,091

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

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

Capital Assets	312,063	
Accumulated Depreciation	(122,811)	
	189,252	189,252

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds. 3,448,776

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds. (6,845,964)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds. (65,114)

Net Position (Deficit) -Total Governmental Activities \$ (2,479,959)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
REVENUES			
Property Taxes	\$ -	-	-
State Grant	5,884,320	87,652	48,656
Federal Grant	-	-	-
Total Revenues	5,884,320	87,652	48,656
EXPENDITURES			
Current:			
Instruction	3,924,463	-	56,038
Support Services:			
Students	193,630	-	-
Instruction	12,621	-	-
General Administration	41,156	-	-
School Administration	450,730	-	-
Central Services	244,320	-	-
Operation & Maintenance of Plant	761,778	-	-
Student Transportation	39,499	87,652	-
Food Services Operations	3,357	-	-
Capital Outlay	-	-	-
Total Expenditures	5,671,554	87,652	56,038
Net Changes in Fund Balances	212,766	-	(7,382)
Fund Balances - Beginning of Year	147,419	-	22,053
Fund Balances - End of Year	\$ 360,185	-	14,671

Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Medicaid 3/21 Years 25153
-	-	-	-	-
-	-	-	-	-
632,147	187,799	69,345	43,871	42,019
632,147	187,799	69,345	43,871	42,019
-	187,799	55,933	43,871	-
-	-	13,412	-	34,676
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
650,858	-	-	-	-
-	-	-	-	-
650,858	187,799	69,345	43,871	34,676
(18,711)	-	-	-	7,343
53,345	-	-	-	8,133
34,634	-	-	-	15,476

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Statement of Revenues, Expenditures, and Changes In Fund Balances -(Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Dual Credit Instructional Materials 27103	2012 Student Library SB-66 27107	New Mexico Reads to Lead K-3 27114
REVENUES			
Property Taxes	\$ -	-	-
State Grant	2,020	4,057	175,000
Federal Grant	-	-	-
Total Revenues	2,020	4,057	175,000
EXPENDITURES			
Current:			
Instruction	2,020	-	175,000
Support Services:			
Students	-	-	-
Instruction	-	4,057	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Food Services Operations	-	-	-
Capital Outlay	-	-	-
Total Expenditures	2,020	4,057	175,000
Net Changes in Fund Balances	-	-	-
Fund Balances - Beginning of Year	-	-	-
Fund Balances - End of Year	\$ -	-	-

Truancy Initiative PED 27141	NM Grown Fresh Fruit 27183	College Counselor Initiative 27189	Teachers Hard to Staff Stipend 27195	Public School Capital Outlay 31200
-	-	-	-	-
96,137	1,958	65,000	52,174	535,254
-	-	-	-	-
96,137	1,958	65,000	52,174	535,254
1,883	-	-	52,174	-
94,254	-	65,000	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,958	-	-	-
-	-	-	-	535,254
96,137	1,958	65,000	52,174	535,254
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Statement of Revenues, Expenditures, and Changes In Fund Balances -(Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Special Capital Outlay State 31400	HB-33 Capital Improvements 31600	Total
REVENUES			
Property Taxes	\$ -	368,125	368,125
State Grant	93,810	-	7,046,038
Federal Grant	-	-	975,181
Total Revenues	93,810	368,125	8,389,344
EXPENDITURES			
Current:			
Instruction	-	-	4,499,181
Support Services:			
Students	-	-	400,972
Instruction	-	-	16,678
General Administration	-	-	41,156
School Administration	-	-	450,730
Central Services	-	-	244,320
Operation & Maintenance of Plant	-	-	761,778
Student Transportation	-	-	127,151
Food Services Operations	-	-	656,173
Capital Outlay	93,810	-	629,064
Total Expenditures	93,810	-	7,827,203
Net Changes in Fund Balances	-	368,125	562,141
Fund Balances - Beginning of Year	-	-	230,950
Fund Balances - End of Year	\$ -	368,125	793,091

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance-Total Governmental Funds		\$ 562,141
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
Change in Compensated Absences		10,902
<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 capital outlay exceeds depreciation for the period.</p>		
Capital Outlays	6,195	
Depreciation Expense	<u>(53,738)</u>	
		(47,543)
Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability		<u>(1,364,666)</u>
Change in Net Position-Total Governmental Activities		<u>\$ (839,166)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 2,351
Total Assets	<u>\$ 2,351</u>
LIABILITIES	
Deposits Held for Others	\$ 2,351
Total Liabilities	<u>\$ 2,351</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 2,850	7,087	(7,586)	2,351
Total Assets	<u>\$ 2,850</u>	<u>7,087</u>	<u>(7,586)</u>	<u>2,351</u>
LIABILITIES				
Deposits Held for Others	\$ 2,850	7,087	(7,586)	2,351
Total Liabilities	<u>\$ 2,850</u>	<u>7,087</u>	<u>(7,586)</u>	<u>2,351</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Mission Achievement and Success' capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Mission Achievement and Success does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Mission Achievement and Success utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 5-15 years

Capital assets for Mission Achievement and Success are recorded in the Statement of Net Position.

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 New Mexico 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. 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
Capital Assets being Depreciated:				
Furniture, Fixtures and Equipment	\$ 305,868	6,195	-	312,063
Total	<u>305,868</u>	<u>6,195</u>	<u>-</u>	<u>312,063</u>
Less: Accumulated Depreciation				
Furniture, Fixtures and Equipment	(69,073)	(53,738)	-	(122,811)
Total	<u>(69,073)</u>	<u>(53,738)</u>	<u>-</u>	<u>(122,811)</u>
Capital Assets, Net	<u>\$ 236,795</u>	<u>(47,543)</u>	<u>-</u>	<u>189,252</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Operation and Maintenance of Plant	\$ 22,310
Capital Outlay	26,624
Food Service	4,804
	<u>\$ 53,738</u>

NOTE 3. COMMITMENTS AND LIABILITIES

Mission Achievement and Success leased equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$792,206. Mission Achievement and Success' minimum future payments on these leases are as follows:

Year Ending June 30:	
2018	\$ 718,076
2019	734,210
2020	750,827
2021	703,792
Total	<u>\$ 2,906,905</u>

Mission Achievement and Success had a compensated absences balance of \$10,902 at the beginning of the fiscal year. Decreases to the balance were \$10,902 which resulted in an ending balance of \$-0-.

NOTE 4. RELATED PARTY TRANSACTIONS

The Principal's spouse is the Dean of Students for the school. The Nepotism Act was waived by the governing council in FY 2012. This contract is reviewed and approved annually by the governing council. The business manager services are performed by the Vigil Group, which performs services for multiple state charter schools.

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Mission Achievement and Success and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Mission Achievement and Success paid employee and employer contributions of \$470,864 and \$668,169.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Mission Achievement and Success reported a liability of \$6,845,964 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016

Mission Achievement and Success' 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, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Mission Achievement and Success' proportion was 0.09513%, which was an increase of 0.03083% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Mission Achievement and Success recognized pension expense of \$1,836,011. As of June 30, 2017, Mission Achievement and Success reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,700	(65,114)
Changes in assumptions	139,356	-
Net difference between projected and actual earnings on pension plan investments	408,647	-
Changes in proportion and differences between Mission Achievement and Success' contributions and proportionate share of contributions	2,400,209	-
Mission Achievement and Success' contributions subsequent to the measurement date	470,864	-
Total	<u>\$ 3,448,776</u>	<u>(65,114)</u>

The amount of \$470,864 reported as deferred outflows of resources related to pensions resulting from Mission Achievement and Success' contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 1,272,278
2019	944,145
2020	596,723
2021	99,652
Total	<u>\$ 2,912,798</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 MISSION ACHIEVEMENT AND SUCCESS
 Notes to the Financial Statements
 June 30, 2017

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Mission Achievement and Success' proportionate share of the net pension liability	\$ <u>9,067,325</u>	<u>6,845,964</u>	<u>5,002,868</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.10%	0.06%	0.04%
School's Proportionate Share of Net Pension Liability (Asset)		\$ 6,846	4,165	2,511
School's Covered-Employee Payroll		\$ 3,388	1,756	1,213
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		202.07%	237.23%	206.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Mission Achievement and Success is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	2015	2016	2017
Statutory required contributions	\$ 289	379	471
Contributions in Relation to the Contractually Required Contribution	254	379	471
Annual contribution deficiency (excess)	\$ 35	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Mission Achievement and Success is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 5,588,965	5,879,425	5,884,320	4,895
Total Revenues	<u>5,588,965</u>	<u>5,879,425</u>	<u>5,884,320</u>	<u>4,895</u>
EXPENDITURES				
Current:				
Instruction	3,950,950	4,227,726	3,937,909	289,817
Support Services:				
Students	257,824	232,591	199,478	33,113
Instruction	13,000	13,000	12,621	379
General Administration	65,612	50,612	40,831	9,781
School Administration	365,094	458,656	454,298	4,358
Central Services	268,177	253,603	239,896	13,707
Operation & Maintenance of Plant	663,308	790,645	753,056	37,589
Student Transportation	-	39,499	39,499	-
Food Services Operations	5,000	5,000	3,357	1,643
Total Expenditures	<u>5,588,965</u>	<u>6,071,332</u>	<u>5,680,945</u>	<u>390,387</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>(191,907)</u>	<u>203,375</u>	<u>395,282</u>
Other Financing Sources (Uses):				
Designated Cash	-	191,907	-	(191,907)
Total Other Financing Sources (Uses):	<u>-</u>	<u>191,907</u>	<u>-</u>	<u>(191,907)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>203,375</u>	<u>203,375</u>
Cash or Fund Balances - Beginning of Year	<u>191,907</u>	<u>191,907</u>	<u>147,419</u>	<u>(44,488)</u>
Cash or Fund Balances - End of Year	<u>\$ 191,907</u>	<u>191,907</u>	<u>350,794</u>	<u>158,887</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 203,375	
Adjustments to Revenues			-	
Adjustments to Expenditures			9,391	
NET CHANGE IN FUND BALANCE			<u>\$ 212,766</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 95,080	87,652	87,652	-
Total Revenues	<u>95,080</u>	<u>87,652</u>	<u>87,652</u>	<u>-</u>
EXPENDITURES				
Current:				
Student Transportation	95,080	87,652	87,652	-
Total Expenditures	<u>95,080</u>	<u>87,652</u>	<u>87,652</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 33,986	36,610	48,656	12,046
Total Revenues	<u>33,986</u>	<u>36,610</u>	<u>48,656</u>	<u>12,046</u>
EXPENDITURES				
Current:				
Instruction	56,038	58,662	56,038	2,624
Total Expenditures	<u>56,038</u>	<u>58,662</u>	<u>56,038</u>	<u>2,624</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(22,052)</u>	<u>(22,052)</u>	<u>(7,382)</u>	<u>14,670</u>
Other Financing Sources (Uses):				
Designated Cash	22,052	22,052	-	(22,052)
Total Other Financing Sources (Uses):	<u>22,052</u>	<u>22,052</u>	<u>-</u>	<u>(22,052)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(7,382)</u>	<u>(7,382)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>22,053</u>	<u>22,053</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>14,671</u>	<u>14,671</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (7,382)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (7,382)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Federal Grant	\$ 550,000	625,000	622,309	(2,691)
Total Revenues	<u>550,000</u>	<u>625,000</u>	<u>622,309</u>	<u>(2,691)</u>
EXPENDITURES				
Current:				
Food Services Operations	550,000	745,701	706,300	39,401
Total Expenditures	<u>550,000</u>	<u>745,701</u>	<u>706,300</u>	<u>39,401</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>(120,701)</u>	<u>(83,991)</u>	<u>36,710</u>
Other Financing Sources (Uses):				
Designated Cash	-	120,701	-	(120,701)
Total Other Financing Sources (Uses):	<u>-</u>	<u>120,701</u>	<u>-</u>	<u>(120,701)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(83,991)</u>	<u>(83,991)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>120,700</u>	<u>53,345</u>	<u>(67,355)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>120,700</u>	<u>(30,646)</u>	<u>(151,346)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (83,991)	
Adjustments to Revenues			9,838	
Adjustments to Expenditures			55,442	
NET CHANGE IN FUND BALANCE			<u>\$ (18,711)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Federal Grant	\$ 143,480	259,007	143,480	(115,527)
Total Revenues	<u>143,480</u>	<u>259,007</u>	<u>143,480</u>	<u>(115,527)</u>
EXPENDITURES				
Current:				
Instruction	143,480	259,007	187,799	71,208
Total Expenditures	<u>143,480</u>	<u>259,007</u>	<u>187,799</u>	<u>71,208</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(44,319)</u>	<u>(44,319)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(44,319)</u>	<u>(44,319)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (44,319)	
Adjustments to Revenues			44,319	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Federal Grant	\$ 63,649	121,099	59,794	(61,305)
Total Revenues	<u>63,649</u>	<u>121,099</u>	<u>59,794</u>	<u>(61,305)</u>
EXPENDITURES				
Current:				
Instruction	50,000	67,450	55,933	11,517
Support Services:				
Students	13,649	53,649	13,412	40,237
Total Expenditures	<u>63,649</u>	<u>121,099</u>	<u>69,345</u>	<u>51,754</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(9,551)</u>	<u>(9,551)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(9,551)</u>	<u>(9,551)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (9,551)	
Adjustments to Revenues			9,551	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Federal Grant	\$ -	43,871	-	(43,871)
Total Revenues	<u>-</u>	<u>43,871</u>	<u>-</u>	<u>(43,871)</u>
EXPENDITURES				
Current:				
Instruction	-	43,871	43,871	-
Total expenditures	<u>-</u>	<u>43,871</u>	<u>43,871</u>	<u>-</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(43,871)</u>	<u>(43,871)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(43,871)</u>	<u>(43,871)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (43,871)	
Adjustments to Revenues			43,871	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
Medicaid 3/21 Years 25153
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Federal Grant	\$ -	35,544	42,019	6,475
Total Revenues	<u>-</u>	<u>35,544</u>	<u>42,019</u>	<u>6,475</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	43,677	28,650	15,027
Total Expenditures	<u>-</u>	<u>43,677</u>	<u>28,650</u>	<u>15,027</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>(8,133)</u>	<u>13,369</u>	<u>21,502</u>
Other financing sources (uses):				
Designated Cash	-	8,133	-	(8,133)
Total other financing sources (uses):	<u>-</u>	<u>8,133</u>	<u>-</u>	<u>(8,133)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>13,369</u>	<u>13,369</u>
Cash or Fund Balances - Beginning of Year	<u>8,133</u>	<u>8,133</u>	<u>8,133</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 8,133</u>	<u>8,133</u>	<u>21,502</u>	<u>13,369</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 13,369	
Adjustments to revenues			-	
Adjustments to expenditures			(6,026)	
NET CHANGE IN FUND BALANCE			<u>\$ 7,343</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	2,020	1,717	(303)
Total Revenues	-	2,020	1,717	(303)
EXPENDITURES				
Current:				
Instruction	-	2,020	2,020	-
Total Expenditures	-	2,020	2,020	-
Net Changes in Fund Balances	-	-	(303)	(303)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(303)	(303)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (303)	
Adjustments to revenues			303	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
2012 Student Library SB-66 27107
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 4,057	4,057	4,057	-
Total Revenues	<u>4,057</u>	<u>4,057</u>	<u>4,057</u>	<u>-</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	4,057	4,057	4,057	-
Total Expenditures	<u>4,057</u>	<u>4,057</u>	<u>4,057</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Reads to Lead K-3 27114
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	175,000	150,659	(24,341)
Total Revenues	-	175,000	150,659	(24,341)
EXPENDITURES				
Current:				
Instruction	-	175,000	175,000	-
Total Expenditures	-	175,000	175,000	-
Net Changes in Fund Balances	-	-	(24,341)	(24,341)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(24,341)	(24,341)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (24,341)	
Adjustments to revenues			24,341	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
Truancy Initiative PED 27141
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ 100,000	100,000	75,924	(24,076)
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>75,924</u>	<u>(24,076)</u>
EXPENDITURES				
Current:				
Instruction	-	4,000	1,883	2,117
Support Services:				
Students	100,000	96,000	94,254	1,746
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>96,137</u>	<u>3,863</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(20,213)</u>	<u>(20,213)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(20,213)</u>	<u>(20,213)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (20,213)	
Adjustments to revenues			20,213	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
NM Grown Fresh Fruit 27183
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	2,000	1,958	(42)
Total Revenues	-	2,000	1,958	(42)
EXPENDITURES				
Current:				
Food Services Operations	-	2,000	1,958	42
Total Expenditures	-	2,000	1,958	42
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
College Counselor Initiative 27189
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ 65,000	65,000	58,719	(6,281)
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>58,719</u>	<u>(6,281)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	65,000	65,000	65,000	-
Total Expenditures	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,281)</u>	<u>(6,281)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(6,281)</u>	<u>(6,281)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (6,281)	
Adjustments to revenues			6,281	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
Teachers Hard to Staff Stipend 27195
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	57,713	26,392	(31,321)
Total Revenues	-	57,713	26,392	(31,321)
EXPENDITURES				
Current:				
Instruction	-	57,713	52,174	5,539
Total Expenditures	-	57,713	52,174	5,539
Net Changes in Fund Balances	-	-	(25,782)	(25,782)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(25,782)	(25,782)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (25,782)	
Adjustments to Revenues			25,782	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	535,254	535,254	-
Total Revenues	-	535,254	535,254	-
EXPENDITURES				
Current:				
Capital Outlay	-	535,254	535,254	-
Total Expenditures	-	535,254	535,254	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay State 31400
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	95,000	-	(95,000)
Total Revenues	-	95,000	-	(95,000)
EXPENDITURES				
Current:				
Capital Outlay	-	95,000	93,810	1,190
Total Expenditures	-	95,000	93,810	1,190
Net Changes in Fund Balances	-	-	(93,810)	(93,810)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(93,810)	(93,810)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ (93,810)	
Adjustments to Revenues			93,810	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Property Taxes	\$ 377,862	377,862	368,125	(9,737)
Total Revenues	<u>377,862</u>	<u>377,862</u>	<u>368,125</u>	<u>(9,737)</u>
EXPENDITURES				
Current:				
Capital Outlay	377,862	377,862	-	377,862
Total Expenditures	<u>377,862</u>	<u>377,862</u>	<u>-</u>	<u>377,862</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>368,125</u>	<u>368,125</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>368,125</u>	<u>368,125</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 368,125	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 368,125</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Wells Fargo	FNMA FNMS	3138MPRS6	1/1/2043	\$ 313,869
Wells Fargo	FNMA FNMS	31417CCA1	6/1/2042	80,348
				<u>\$ 394,217</u>
Total Cash per Schedule of Cash Accounts:				\$ 1,015,192
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				765,192
Collateral Requirement:				382,596
Pledged Collateral Held by Pledging Financial Institution:				<u>394,217</u>
Balance Over Collateralized:				<u>\$ 11,621</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 370,975</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	<u>\$ 1,015,192</u>
<i>Total on Deposit</i>	1,015,192
Reconciling Items	<u>(114,823)</u>
Reconciled Balance June 30, 2017	<u>900,369</u>
Less Agency Funds	<u>(2,351)</u>
<i>Total Cash</i>	<u>\$ 898,018</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Cash Reconciliation
June 30, 2017**

	Operational 11000	Transportation 13000	Instructional Materials 14000
Cash, June 30, 2016	\$ 264,248	-	22,053
Add:			
2016-17 revenues	<u>5,884,320</u>	<u>87,652</u>	<u>48,656</u>
Total Cash Available	6,148,568	87,652	70,709
Less:			
2016-17 expenditures	(5,680,945)	(87,652)	(56,038)
Receivables/Payables	305,713	-	-
Outstanding Loans	<u>(243,986)</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>529,350</u>	<u>-</u>	<u>14,671</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	<u>(72,340)</u>	<u>-</u>	<u>-</u>
Cash Per Books	<u>457,010</u>	<u>-</u>	<u>14,671</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>(96,825)</u>	<u>-</u>	<u>-</u>
Fund Balance, Modified Accrual Basis	<u>\$ 360,185</u>	<u>-</u>	<u>14,671</u>

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

Food Services 21000	Non-Instruct. Fund 23000	Federal Projects Account 24000	Federal Direct 25000	State Account 27000
111,625	2,850	-	8,133	-
622,310	7,086	203,274	42,019	319,428
733,935	9,936	203,274	50,152	319,428
(706,300)	(7,585)	(301,015)	(28,650)	(396,348)
-	-	2,191	-	22,294
-	-	95,550	-	54,626
27,635	2,351	-	21,502	-
9,075	-	-	-	-
36,710	2,351	-	21,502	-
(2,076)	(2,351)	-	(6,026)	-
34,634	-	-	15,476	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MISSION ACHIEVEMENT AND SUCCESS
Cash Reconciliation
June 30, 2017**

	Public School Capital Outlay 31200	Special Capital Outlay State 31400	HB-33 Capital Improvements 31600	Total
Cash, June 30, 2016	\$ -	-	-	408,909
Add:				
2016-17 revenues	535,254	-	368,125	8,118,124
Total Cash Available	535,254	-	368,125	8,527,033
Less:				
2016-17 expenditures	(535,254)	(93,810)	-	(7,893,597)
Receivables/Payables	-	-	-	330,198
Outstanding Loans	-	93,810	-	-
Cash June 30, 2017	-	-	368,125	963,634
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	-	-	-	(63,265)
Cash Per Books	-	-	368,125	900,369
			Less: Agency Fund:	(2,351)
				<u>\$ 898,018</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	-	-	-	(107,278)
Fund Balance, Modified Accrual Basis	<u>\$ -</u>	<u>-</u>	<u>368,125</u>	<u>793,091</u>
			Balance Sheets - Governmental Funds:	<u>\$ 793,091</u>

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

MONTE DEL SOL CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,236,905
Receivables	
Other Receivables	340
Due from Other Governments	100,703
Total Current Assets	<u>1,337,948</u>

Noncurrent Assets:

Capital Assets	
Land & Land Improvements	435,125
Buildings and Building Improvements	3,722,125
Furniture, Fixtures, and Equipment	229,264
Less: Accumulated Depreciation	<u>(1,380,074)</u>
Total Noncurrent Assets	<u>3,006,440</u>

Total Assets 4,344,388

Deferred Outflows - Pension Related 753,680

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	8,718
Accrued Liabilities	298,242
Compensated absences	10,715
Current portion due to authorizer	5,000
Held for others	18,702
Current portion of mortgage payable	<u>91,141</u>
Total Current Liabilities	<u>432,518</u>

Noncurrent Liabilities:

Due to authorizer	5,000
Mortgage payable	2,194,414
Net Pension Liability	<u>5,022,391</u>
Total Noncurrent Liabilities	<u>7,221,805</u>

Total Liabilities 7,654,323

Deferred Inflows - Pension Related 241,837

NET POSITION (DEFICIT)

Net Investment in Capital Assets	720,885
Restricted	626,672
Unrestricted (Deficit)	<u>(4,145,649)</u>
Total Net Position (Deficit)	<u>\$ (2,798,092)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 2,474,508	32,261	205,265	-	(2,236,982)
Support Services:					
Students	265,186	-	-	-	(265,186)
Instruction	34,707	-	-	-	(34,707)
General Administration	88,115	-	-	-	(88,115)
School Administration	226,752	-	-	-	(226,752)
Central Services	202,038	-	-	-	(202,038)
Operation & Maintenance of Plant	166,784	-	-	-	(166,784)
Student Transportation	241,142	-	226,391	-	(14,751)
Food Services Operation	50,082	11,331	27,361	-	(11,390)
Community Services Operations	-	-	-	-	-
Other Support Services	-	10,803	-	-	10,803
Facilities Materials, Supplies & Other Services	890,233	-	-	505,964	(384,269)
Total Governmental Activities	\$ 4,639,547	54,395	459,017	505,964	(3,620,171)
		General Revenues:			
					\$ 473,590
					2,748,615
					390,625
					<u>3,612,830</u>
					Change in Net Position
					<u>(7,341)</u>
					Net Position (Deficit), Beginning
					(2,790,751)
					Net position (Deficit), Ending
					<u>\$ (2,798,092)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Food Services 21000
ASSETS				
Cash	\$ 436,599	-	15,727	3,776
Accounts Receivable				
Other Receivables	-	-	-	-
Due from Governments		-	-	-
Due from Other Funds	79,029	-	-	-
Total Assets	\$ 515,628	-	15,727	3,776
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 2,993	-	-	-
Accrued Expenditures	283,127	-	-	-
Due to Authorizer	10,000	-	-	-
Held for Others	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	296,120	-	-	-
Fund Balances (Deficit)				
Fund Balance:				
Restricted for:				
Instruction	-	-	15,727	3,776
Capital Improvements	-	-	-	-
Unassigned (Deficit)	219,508	-	-	-
Total Fund Balance (Deficit)	219,508	-	15,727	3,776
Total Liabilities and Fund Balances (Deficit)	\$ 515,628	-	15,727	3,776

The accompanying notes are an integral part of these financial statements

Athletics 22000	Title I IASA 24101	IDEA-B Entitlement 24106	English Language Acquisition 24153	Teacher Principal Training 24154	Medicaid 25153
9,113	-	-	-	-	12,234
-	-	-	-	-	-
-	36,855	41,882	19,234	2,271	-
-	-	-	-	-	-
<u>9,113</u>	<u>36,855</u>	<u>41,882</u>	<u>19,234</u>	<u>2,271</u>	<u>12,234</u>
-	-	-	-	-	-
-	14,317	-	-	798	-
-	-	-	-	-	-
-	-	-	-	-	-
-	19,121	38,624	18,427	1,217	-
-	33,438	38,624	18,427	2,015	-
-	3,417	3,258	-	-	-
-	-	-	-	-	-
9,113	-	-	807	256	12,234
9,113	3,417	3,258	807	256	12,234
<u>9,113</u>	<u>36,855</u>	<u>41,882</u>	<u>19,234</u>	<u>2,271</u>	<u>12,234</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Balance Sheets - Governmental Funds
June 30, 2017

	Dual Credit Instructional Materials 27103	Literacy for Children at Risk PED 27107	NM Grown Fresh Fruits & Vegetables 27183	Private Direct Grants 29102
ASSETS				
Cash	-	-	-	-
Accounts Receivable				
Other Receivables	-	-	-	-
Due from Governments	-	461	-	-
Due from Other Funds	-	-	-	-
Total Assets	-	461	-	-
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	-	-	-	-
Accrued Expenditures	-	-	-	-
Due to Authorizer	-	-	-	-
Held for Others	-	-	-	-
Due to Other Funds	-	1,640	-	-
Total Liabilities	-	1,640	-	-
Fund Balances (Deficit)				
Fund Balance:				
Restricted for:				
Instruction	-	-	-	-
Capital Improvements	-	-	-	-
Unassigned (Deficit)	-	(1,179)	-	-
Total Fund Balance (Deficit)	-	(1,179)	-	-
Total Liabilities and Fund Balances (Deficit)	-	461	-	-

The accompanying notes are an integral part of these financial statements

Public School Capital Outlay 31200	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Educational Technology Equipment Act 31900	Foundation	Total
-	239,045	-	162,644	198,805	158,962	1,236,905
-	-	-	-	-	340	340
-	-	-	-	-	-	100,703
-	-	-	-	-	-	79,029
-	239,045	-	162,644	198,805	159,302	1,416,977
-	-	-	-	-	5,725	8,718
-	-	-	-	-	-	298,242
-	-	-	-	-	-	10,000
-	-	-	-	-	18,702	18,702
-	-	-	-	-	-	79,029
-	-	-	-	-	24,427	414,691
-	-	-	-	-	-	26,178
-	239,045	-	162,644	198,805	-	600,494
-	-	-	-	-	134,875	375,614
-	239,045	-	162,644	198,805	134,875	1,002,286
-	239,045	-	162,644	198,805	159,302	1,416,977

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 1,002,286**

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

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

Capital Assets	4,386,514	
Accumulated Depreciation	<u>(1,380,074)</u>	3,006,440

Defined benefit pension plan deferred outflows are not financial resources and, therefore, and not reported in the funds		753,680
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Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Compensated Absences	(10,715)	
Mortgage Payable	(2,285,555)	
Net Pension Liability	<u>(5,022,391)</u>	(7,318,661)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		<u>(241,837)</u>
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Net Position (Deficit) -Total Governmental Activities **\$ (2,798,092)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Food Services 21000
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	2,748,615	226,391	8,549	-
Federal Grant	(1)	-	-	27,361
Charges for Services	32,261	-	-	11,331
Miscellaneous Income	46,388	-	-	-
Total Revenues	<u>2,827,263</u>	<u>226,391</u>	<u>8,549</u>	<u>38,692</u>
EXPENDITURES				
Current:				
Instruction	1,945,671	14,691	9,091	-
Support Services:				
Students	190,173	-	-	-
Instruction	30,431	-	-	-
General Administration	77,495	-	-	-
School Administration	207,634	-	-	-
Central Services	195,340	-	-	-
Operation & Maintenance of Plant	166,784	-	-	-
Student Transportation	14,751	226,391	-	-
Other Support Services Operations	-	-	-	-
Food Services Operation	7,409	-	-	42,173
Community Services Operation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>2,835,688</u>	<u>241,082</u>	<u>9,091</u>	<u>42,173</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(8,425)</u>	<u>(14,691)</u>	<u>(542)</u>	<u>(3,481)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(8,425)</u>	<u>(14,691)</u>	<u>(542)</u>	<u>(3,481)</u>
Total Net Position (Deficit)				
Fund Balances(Deficit) - Beginning of Year	<u>227,933</u>	<u>14,691</u>	<u>16,269</u>	<u>7,257</u>
Fund Balances (Deficit) - End of Year	<u>\$ 219,508</u>	<u>-</u>	<u>15,727</u>	<u>3,776</u>

The accompanying notes are an integral part of these financial statements

Athletics 22000	Title I IASA 24101	IDEA-B Entitlement 24106	English Language Acquisition 24153	Teacher Principal Training 24154	Medicaid 25153
-	-	-	-	-	-
-	-	-	-	-	20,248
-	69,355	66,159	33,596	5,190	-
10,803	-	-	-	-	-
23,774	-	-	-	-	-
<u>34,577</u>	<u>69,355</u>	<u>66,159</u>	<u>33,596</u>	<u>5,190</u>	<u>20,248</u>
25,464	65,938	13,548	30,800	4,934	-
-	-	49,353	1,000	-	12,305
-	-	-	989	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>25,464</u>	<u>65,938</u>	<u>62,901</u>	<u>32,789</u>	<u>4,934</u>	<u>12,305</u>
<u>9,113</u>	<u>3,417</u>	<u>3,258</u>	<u>807</u>	<u>256</u>	<u>7,943</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,113</u>	<u>3,417</u>	<u>3,258</u>	<u>807</u>	<u>256</u>	<u>7,943</u>
-	-	-	-	-	4,291
<u>9,113</u>	<u>3,417</u>	<u>3,258</u>	<u>807</u>	<u>256</u>	<u>12,234</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - Continued
Governmental Funds
For The Year Ended June 30, 2017

	Dual Credit Instructional Materials 27103	Literacy for Children at Risk PED 27107	NM Grown Fresh Fruits & Vegetables 27183	Private Direct Grants 29102
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	1,208	461	500	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	3,500
Total Revenues	<u>1,208</u>	<u>461</u>	<u>500</u>	<u>3,500</u>
EXPENDITURES				
Current:				
Instruction	1,208	-	-	3,500
Support Services:				
Students	-	-	-	-
Instruction	-	1,640	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operation	-	-	500	-
Community Services Operation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>1,208</u>	<u>1,640</u>	<u>500</u>	<u>3,500</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(1,179)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>(1,179)</u>	<u>-</u>	<u>-</u>
Fund Balances(Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>(1,179)</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Public School Capital Outlay 31200	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Educational Technology Equipment Act 31900	Foundation	Total
-	199,096	(4,071)	278,565	-	-	473,590
251,067	-	(6,580)	-	261,477	-	3,511,936
-	-	-	-	-	-	201,660
-	-	-	-	-	-	54,395
-	389	-	162	-	316,412	390,625
<u>251,067</u>	<u>199,485</u>	<u>(10,651)</u>	<u>278,727</u>	<u>261,477</u>	<u>316,412</u>	<u>4,632,206</u>
-	-	-	-	-	1,399	2,116,244
-	-	-	-	-	-	252,831
-	-	-	-	-	-	33,060
-	1,991	(41)	2,720	-	-	82,165
-	-	-	-	-	-	207,634
-	-	-	-	-	-	195,340
-	-	-	-	-	-	166,784
-	-	-	-	-	-	241,142
-	-	-	-	-	-	-
-	-	-	-	-	-	50,082
-	-	-	-	-	-	-
251,067	154,312	-	232,733	132,832	-	770,944
-	-	-	-	-	78,146	78,146
-	-	-	-	-	119,289	119,289
<u>251,067</u>	<u>156,303</u>	<u>(41)</u>	<u>235,453</u>	<u>132,832</u>	<u>198,834</u>	<u>4,313,661</u>
-	43,182	(10,610)	43,274	128,645	117,578	318,545
-	-	-	119,370	-	-	119,370
-	-	(119,370)	-	-	-	(119,370)
-	-	(119,370)	119,370	-	-	-
-	43,182	(129,980)	162,644	128,645	117,578	318,545
-	195,863	129,980	-	70,160	17,297	683,741
-	239,045	-	162,644	198,805	134,875	1,002,286

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 318,545**

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

Change in compensated absences 587

Change in net pension liability (297,797)

Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Depreciation and amortization expense	(106,822)	(106,822)
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The issuance of long-term debt 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.

Payments on mortgage payable	78,146	
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Change in Net Position-Total Governmental Activities **\$ (7,341)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Agency</u>
ASSETS	
Cash in Bank	\$ 27,490
Total Assets	<u>\$ 27,490</u>
LIABILITIES	
Deposits Held for Others	\$ 27,490
Total Liabilities	<u>\$ 27,490</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 27,121	41,708	(41,339)	27,490
Total Assets	<u>\$ 27,121</u>	<u>41,708</u>	<u>(41,339)</u>	<u>27,490</u>
 LIABILITIES				
Deposits Held for Others	\$ 27,121	41,708	(41,339)	27,490
Total Liabilities	<u>\$ 27,121</u>	<u>41,708</u>	<u>(41,339)</u>	<u>27,490</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Monte Del Sol Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Monte Del Sol Charter School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Monte Del Sol Charter School (MDS) does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. MDS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5-10 years
Land and Land Improvements	15 years
Buildings and Improvements	5-40 years

Capital assets for MDS are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
<i>Capital Assets not being Depreciated</i>				
Land	\$ 425,000	-	-	425,000
<i>Total</i>	<u>425,000</u>	-	-	<u>425,000</u>
<i>Capital Assets being Depreciated:</i>				
Land Improvements	10,125	-	-	10,125
Building and Improvements	3,722,125	-	-	3,722,125
Furniture, Fixtures and Equipment	229,264	-	-	229,264
<i>Total</i>	<u>3,961,514</u>	-	-	<u>3,961,514</u>
<i>Less: Accumulated Depreciation</i>				
Land Improvements	(3,037)	(253)	-	(3,290)
Building and Improvements	(1,117,545)	(89,179)	-	(1,206,724)
Furniture, Fixtures and Equipment	(152,670)	(17,390)	-	(170,060)
<i>Total</i>	<u>(1,273,252)</u>	<u>(106,822)</u>	-	<u>(1,380,074)</u>
Capital Assets, Net	<u>\$ 3,113,262</u>	<u>(106,822)</u>	-	<u>3,006,440</u>

Depreciation expensed for the year ended June 30, 2017 was expensed to the following functions:

Facilities, Materials, Supplies & Other Services \$ 106,822

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Monte Del Sol Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

Monte Del Sol Charter School leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$266,503. The School had a compensated absences balance of \$11,302 at the beginning of the fiscal year. Net decreases to the balance were \$587 which resulted in an ending balance of \$10,715. The entire balance is considered to be current.

Monte Del Sol's minimum future payments on these leases are as follows:

Year Ending June 30:	
2018	\$ 253,752
2019	253,752
2020	253,752
2021	253,752
2022	253,752
2023-2027	1,268,760
2028-2032	1,268,760
2033-2037	1,268,760
2038-2042	<u>1,268,760</u>
Total minimum lease payments	<u>\$ 6,343,800</u>

The Foundation for Monte del Sol Charter School maintains one mortgage against the school property. Principal expense for the year ended June 30, 2017 was \$78,146. As of June 30, 2017, the balances on each respective mortgage is as follows:

LANB loan, 5.50% interest	\$ 2,285,555
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The aggregate amounts of principal maturities and interest of bonds payable are as follows:

	Principal	Interest	Total
2018	\$ 91,141	102,381	193,522
2019	95,387	98,135	193,522
2020	99,574	93,948	193,522
2021	104,471	89,051	193,522
2022	109,338	84,184	193,522
Thereafter	<u>1,785,644</u>	<u>141,106</u>	<u>1,926,450</u>
Total	<u>\$ 2,285,555</u>	<u>608,805</u>	<u>2,894,060</u>

NOTE 4. DEFICIT FUND BALANCE

For the year ended June 30, 2017, fund 27107- Literacy for Children at Risk PED, had a deficit fund balance of (\$1,179).

NOTE 5. OVERSPENT BUDGET LINE ITEMS

Monte Del Sol Charter School had funds with expenditures in excess of the budget during the year ended June 30, 2017, for support services function on 13000 Student Transportation Fund (\$14,691), Title I IASA 24101 (\$3,560), Literacy for Children 27107 (\$375), and HB-33 31600 (\$304).

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Monte Del Sol Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 6. RELATED PARTY TRANSACTIONS

Monte Del Sol Charter School has created a Foundation which donates various funds to the school and entered into a mortgage and a loan to purchase and remodel a building for the school. The Foundation is considered a component unit of the School and is presented as a blended component unit.

NOTE 7. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Monte Del Sol Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Monte Del Sol Charter School paid employee and employer contributions of \$243,603 and \$277,062.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Monte Del Sol Charter School reported a liability of \$5,022,391 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Monte Del Sol Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 7. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Monte Del Sol Charter School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Monte Del Sol Charter School's proportion was 0.06979%, which was an increase of 0.00062% from its proportion measured as of June 30, 2015.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,789	(47,770)
Changes in assumptions	102,236	-
Net difference between projected and actual earnings on pension plan investments	299,795	-
Changes in proportion and differences between Monte Del Sol Charter School's contributions and proportionate share of contributions	86,257	(194,067)
Monte Del Sol Charter School's contributions subsequent to the measurement date	<u>243,603</u>	<u>-</u>
Total	<u>\$ 753,680</u>	<u>(241,837)</u>

The amount of \$243,603 reported as deferred outflows of resources related to pensions resulting from Monte Del Sol Charter School's 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 39,485
2019	5,587
2020	150,059
2021	<u>73,109</u>
Total	<u>\$ 268,240</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Monte Del Sol Charter School
Notes to the Financial Statements
June 30, 2017

NOTE 7. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Sensitivity of Monte Del Sol Charter School’s proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2016. In particular, the table presents the (employer’s) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Monte Del Sol Charter School’s proportionate share of the net pension liability	\$ 6,652,040	5,022,391	3,760,243

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. Monte Del Sol Charter School accrued \$37,386 in ERB benefits at June 30, 2017 for teachers with ten month contracts.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Monte Del Sol Charter School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)			0.07%	0.08%
School's Proportionate Share of Net Pension Liability (Asset)	\$	5,022	4,480	4,305
School's Covered-Employee Payroll	\$	1,694	1,889	2,080
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		296.46%	237.16%	206.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Monte Del Sol Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Monte Del Sol Charter School
Schedule of School Contributions
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	2015	2016	2017
Statutory required contributions	\$ 273	312	244
Contributions in Relation to the Contractually Required Contribution	273	273	244
Annual contribution deficiency (excess)	\$ -	39	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Monte Del Sol Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 2,916,021	2,815,325	2,754,698	(60,627)
Federal Grant	-	-	-	-
Charges for Services	26,846	26,846	32,261	5,415
Miscellaneous Income	39,864	39,864	46,388	6,524
Total Revenues	<u>2,982,731</u>	<u>2,882,035</u>	<u>2,833,347</u>	<u>(48,688)</u>
EXPENDITURES				
Current:				
Instruction	2,190,277	2,029,113	1,899,558	129,555
Support Services:				
Students	268,603	259,729	190,173	69,556
Instruction	45,536	32,885	30,431	2,454
General Administration	65,371	82,477	77,495	4,982
School Administration	203,020	227,698	207,634	20,064
Central Services	204,860	197,881	195,340	2,541
Operation & Maintenance of Plant	192,285	186,894	166,784	20,110
Student Transportation	-	18,796	14,751	4,045
Other Support Services Operations	-	-	-	-
Food Services Operations	10,000	10,200	7,409	2,791
Community Services Operations	-	-	-	-
Total Expenditures	<u>3,179,952</u>	<u>3,045,673</u>	<u>2,789,575</u>	<u>256,098</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(197,221)</u>	<u>(163,638)</u>	<u>43,772</u>	<u>207,410</u>
Net Changes in Fund Balances	<u>(197,221)</u>	<u>(163,638)</u>	<u>43,772</u>	<u>207,410</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>230,349</u>	<u>230,349</u>
Cash or Fund Balances - End of Year	<u>\$ (197,221)</u>	<u>(163,638)</u>	<u>274,121</u>	<u>437,759</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			(6,084)	
Adjustments to Expenditures			(46,113)	
NET CHANGE IN FUND BALANCE			<u>\$ (8,425)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Student Transportation 13000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 233,862	226,391	226,391	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>233,862</u>	<u>226,391</u>	<u>226,391</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	-	14,691	(14,691)
Student Transportation	233,862	226,391	226,391	-
Total Expenditures	<u>233,862</u>	<u>226,391</u>	<u>241,082</u>	<u>(14,691)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(14,691)	(14,691)
Net Changes in Fund Balances	-	-	(14,691)	(14,691)
Cash or Fund Balances - Beginning of Year	-	-	14,691	14,691
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (14,691)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 19,783	3,132	8,549	5,417
Total Revenues	<u>19,783</u>	<u>3,132</u>	<u>8,549</u>	<u>5,417</u>
EXPENDITURES				
Current:				
Instruction	28,083	19,401	9,091	10,310
Total Expenditures	<u>28,083</u>	<u>19,401</u>	<u>9,091</u>	<u>10,310</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(8,300)</u>	<u>(16,269)</u>	<u>(542)</u>	<u>15,727</u>
Net Changes in Fund Balances	<u>(8,300)</u>	<u>(16,269)</u>	<u>(542)</u>	<u>15,727</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>16,269</u>	<u>16,269</u>
Cash or Fund Balances - End of Year	<u>\$ (8,300)</u>	<u>(16,269)</u>	<u>15,727</u>	<u>31,996</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (542)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	-	-
Federal Grant	72,000	72,000	27,361	(44,639)
Charges for Services	-	-	11,331	11,331
Miscellaneous Income	-	-	-	-
Total Revenues	<u>72,000</u>	<u>72,000</u>	<u>38,692</u>	<u>(33,308)</u>
EXPENDITURES				
Current:				
Food Services Operations	75,000	79,257	42,173	37,084
Total Expenditures	<u>75,000</u>	<u>79,257</u>	<u>42,173</u>	<u>37,084</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(3,000)</u>	<u>(7,257)</u>	<u>(3,481)</u>	<u>3,776</u>
Net Changes in Fund Balances	<u>(3,000)</u>	<u>(7,257)</u>	<u>(3,481)</u>	<u>3,776</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>7,257</u>	<u>7,257</u>
Cash or Fund Balances - End of Year	<u>\$ (3,000)</u>	<u>(7,257)</u>	<u>3,776</u>	<u>11,033</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (3,481)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 22000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	-	-
Federal Grant	-	-	-	-
Charges for Services	-	7,000	10,803	3,803
Miscellaneous Income	-	21,414	23,774	2,360
Total Revenues	-	28,414	34,577	6,163
EXPENDITURES				
Current:				
Food Services Operations	-	28,414	25,464	2,950
Total Expenditures	-	28,414	25,464	2,950
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	9,113	9,113
Net Changes in Fund Balances	-	-	9,113	9,113
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	9,113	9,113
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 9,113	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 52,068	73,112	41,920	(31,192)
Total Revenues	<u>52,068</u>	<u>73,112</u>	<u>41,920</u>	<u>(31,192)</u>
EXPENDITURES				
Current:				
Instruction	52,068	73,112	76,672	(3,560)
Support Services:				
Students	-	-	-	-
General Administration	-	-	-	-
Total Expenditures	<u>52,068</u>	<u>73,112</u>	<u>76,672</u>	<u>(3,560)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(34,752)</u>	<u>(34,752)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(34,752)</u>	<u>(34,752)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(9,420)</u>	<u>(9,420)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(44,172)</u>	<u>(44,172)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			27,435	
Adjustments to Expenditures			<u>10,734</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 3,417</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 71,493	71,493	50,916	(20,577)
Total Revenues	<u>71,493</u>	<u>71,493</u>	<u>50,916</u>	<u>(20,577)</u>
EXPENDITURES				
Current:				
Instruction	35,042	14,491	13,548	943
Support Services:				
Students	36,451	57,002	49,353	7,649
Total Expenditures	<u>71,493</u>	<u>71,493</u>	<u>62,901</u>	<u>8,592</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(11,985)</u>	<u>(11,985)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(11,985)</u>	<u>(11,985)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(26,639)</u>	<u>(26,639)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(38,624)</u>	<u>(38,624)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			15,243	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 3,258</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
English Language Acquisition 24153
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 23,319	37,440	16,637	(20,803)
Total Revenues	<u>23,319</u>	<u>37,440</u>	<u>16,637</u>	<u>(20,803)</u>
EXPENDITURES				
Current:				
Instruction	20,277	34,993	30,800	4,193
Support Services:				
Students	1,000	1,000	1,000	-
Instruction	3,042	2,447	989	1,458
General Administration	1,683	1,088	-	1,088
Total Expenditures	<u>26,002</u>	<u>39,528</u>	<u>32,789</u>	<u>5,651</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(2,683)</u>	<u>(2,088)</u>	<u>(16,152)</u>	<u>(15,152)</u>
Net Changes in Fund Balances	<u>(2,683)</u>	<u>(2,088)</u>	<u>(16,152)</u>	<u>(15,152)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(2,275)</u>	<u>(2,275)</u>
Cash or Fund Balances - End of Year	<u>\$ (2,683)</u>	<u>(2,088)</u>	<u>(18,427)</u>	<u>(17,427)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			16,959	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 807</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher / Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 9,462	8,754	5,970	(2,784)
Total Revenues	<u>9,462</u>	<u>8,754</u>	<u>5,970</u>	<u>(2,784)</u>
EXPENDITURES				
Current:				
Instruction	8,000	8,754	5,732	3,022
Support Services:				
School Administration	1,462	1,462	-	1,462
Total Expenditures	<u>9,462</u>	<u>10,216</u>	<u>5,732</u>	<u>4,484</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(1,462)</u>	<u>238</u>	<u>1,700</u>
Net Changes in Fund Balances	<u>-</u>	<u>(1,462)</u>	<u>238</u>	<u>1,700</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(3,051)</u>	<u>(3,051)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(1,462)</u>	<u>(2,813)</u>	<u>(1,351)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			(780)	
Adjustments to Expenditures			798	
NET CHANGE IN FUND BALANCE			<u>\$ 256</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Medicaid 25153
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 4,000	14,725	20,248	5,523
Total Revenues	<u>4,000</u>	<u>14,725</u>	<u>20,248</u>	<u>5,523</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	7,900	19,016	12,305	6,711
Total Expenditures	<u>7,900</u>	<u>19,016</u>	<u>12,305</u>	<u>6,711</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(3,900)</u>	<u>(4,291)</u>	<u>7,943</u>	<u>12,234</u>
Net Changes in Fund Balances	<u>(3,900)</u>	<u>(4,291)</u>	<u>7,943</u>	<u>12,234</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,291</u>	<u>4,291</u>
Cash or Fund Balances - End of Year	<u>\$ (3,900)</u>	<u>(4,291)</u>	<u>12,234</u>	<u>16,525</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 7,943</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	1,209	1,396	187
Total Revenues	-	1,209	1,396	187
EXPENDITURES				
Current:				
Instruction	-	1,209	1,208	1
Total Expenditures	-	1,209	1,208	1
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	188	188
Net Changes in Fund Balances	-	-	188	188
Cash or Fund Balances - Beginning of Year	-	-	(188)	(188)
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			(188)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Literacy for Children at Risk PED 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 475	1,740	2,944	1,204
Total Revenues	<u>475</u>	<u>1,740</u>	<u>2,944</u>	<u>1,204</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	475	1,265	1,640	(375)
Total Expenditures	<u>475</u>	<u>1,265</u>	<u>1,640</u>	<u>(375)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	475	1,304	829
Net Changes in Fund Balances	-	475	1,304	829
Cash or Fund Balances - Beginning of Year	-	-	(2,944)	(2,944)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>475</u>	<u>(1,640)</u>	<u>(2,115)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			(2,483)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (1,179)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
NM Grown Fresh Fruits & Vegetables 27183
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	500	500	-
Total Revenues	-	500	500	-
EXPENDITURES				
Current:				
Food Services Operations	-	500	500	-
Total Expenditures	-	500	500	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	3,500	3,500	-
Total Revenues	-	3,500	3,500	-
EXPENDITURES				
Current:				
Instruction	-	3,500	3,500	-
Total Expenditures	-	3,500	3,500	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	251,067	313,834	62,767
Total Revenues	<u>-</u>	<u>251,067</u>	<u>313,834</u>	<u>62,767</u>
EXPENDITURES				
Capital Outlay	-	251,067	251,067	-
Total Expenditures	<u>-</u>	<u>251,067</u>	<u>251,067</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	62,767	62,767
Net Changes in Fund Balances	-	-	62,767	62,767
Cash or Fund Balances - Beginning of Year	-	-	(62,767)	(62,767)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			(62,767)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	118,699	201,783	83,084
Miscellaneous Income	-	-	389	389
Total Revenues	<u>-</u>	<u>118,699</u>	<u>202,172</u>	<u>83,473</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	1,187	1,687	1,991	(304)
Capital Outlay	319,117	320,140	154,312	165,828
Total Expenditures	<u>320,304</u>	<u>321,827</u>	<u>156,303</u>	<u>165,524</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(320,304)</u>	<u>(203,128)</u>	<u>45,869</u>	<u>248,997</u>
Net Changes in Fund Balances	<u>(320,304)</u>	<u>(203,128)</u>	<u>45,869</u>	<u>248,997</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>193,176</u>	<u>193,176</u>
Cash or Fund Balances - End of Year	<u>\$ (320,304)</u>	<u>(203,128)</u>	<u>239,045</u>	<u>442,173</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			(2,687)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 43,182</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	-	(4,071)	(4,071)
State Grant	-	8,424	4,030	(4,394)
Miscellaneous Income	11,776	20,200	-	(20,200)
Total Revenues	11,776	28,624	(41)	(28,665)
EXPENDITURES				
Current:				
Support Services:				
General Administration	-	-	(41)	41
Capital Outlay	11,776	8,424	-	8,424
Total Expenditures	11,776	8,424	(41)	8,465
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	20,200	-	(20,200)
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	(119,370)	(119,370)
<i>Total other financing sources (uses)</i>	-	-	(119,370)	(119,370)
Net Changes in Fund Balances	-	20,200	(119,370)	(20,200)
Cash or Fund Balances - Beginning of Year	-	-	119,370	119,370
Cash or Fund Balances - End of Year	\$ -	20,200	-	99,170
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			(10,610)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (129,980)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	-	278,565	
Miscellaneous Income	270,621	270,621	162	(270,459)
Total Revenues	<u>270,621</u>	<u>270,621</u>	<u>278,727</u>	<u>(270,459)</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	2,707	2,707	2,720	(13)
Capital Outlay	381,414	381,414	232,733	148,681
Total Expenditures	<u>384,121</u>	<u>384,121</u>	<u>235,453</u>	<u>148,668</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(113,500)</u>	<u>(113,500)</u>	<u>43,274</u>	<u>(121,791)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	119,370	119,370
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>119,370</u>	<u>119,370</u>
Net Changes in Fund Balances	<u>(113,500)</u>	<u>(113,500)</u>	<u>162,644</u>	<u>(121,791)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (113,500)</u>	<u>(113,500)</u>	<u>162,644</u>	<u>(121,791)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 162,644</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Ed Technology Equipment Act 31900
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	-	-	261,477	261,477
Miscellaneous Income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>261,477</u>	<u>261,477</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	-	-	-	-
Capital Outlay	29,900	279,342	132,832	146,510
Total Expenditures	<u>29,900</u>	<u>279,342</u>	<u>132,832</u>	<u>146,510</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(29,900)</u>	<u>(279,342)</u>	<u>128,645</u>	<u>407,987</u>
Net Changes in Fund Balances	<u>(29,900)</u>	<u>(279,342)</u>	<u>128,645</u>	<u>407,987</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>70,160</u>	<u>70,160</u>
Cash or Fund Balances - End of Year	<u>\$ (29,900)</u>	<u>(279,342)</u>	<u>198,805</u>	<u>478,147</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 128,645</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2016</u>
Los Alamos National Bank	FHLMC	CUSIP 3137EADV8	7/14/2017	\$ 1,300,000
				<u>\$ 1,300,000</u>
Total Cash per Schedule of Cash Accounts (Excluding Foundation):				\$ 1,205,039
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				955,039
Collateral Requirement:				477,520
Pledged Collateral Held by Pledging Financial Institution:				<u>1,300,000</u>
Balance Over Collateralized:				<u>\$ 822,480</u>
Balance Uninsured and Uncollateralized at June 30, 2016:				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>LANB</u>
Checking - Operational Account	\$ 1,177,549
Checking - Activity Funds	27,490
Foundation	
Checking	32,023
Savings	93,700
Athletic Account	33,241
Paypal	<u>107</u>
<i>Total on Deposit</i>	1,364,110
Reconciling Items	<u>(99,715)</u>
Reconciled Balance June 30, 2017	<u>1,264,395</u>
Less Agency Funds	<u>(27,490)</u>
<i>Total Cash</i>	<u><u>\$ 1,236,905</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTE DEL SOL CHARTER SCHOOL
Cash Reconciliation
June 30, 2017

	<u>Operational</u> <u>11000</u>	<u>Student</u> <u>Transportation</u> <u>13000</u>	<u>Instructional</u> <u>Materials</u> <u>14000</u>	<u>Food Services</u> <u>21000</u>	<u>Athletic</u> <u>22000</u>	<u>Agency Funds</u> <u>23000</u>
Cash, June 30, 2016	\$ 569,082	14,691	16,269	7,257	-	27,121
Add:						
2016-17 revenues	<u>2,833,348</u>	<u>226,391</u>	<u>8,549</u>	<u>38,692</u>	<u>34,577</u>	<u>41,708</u>
Total cash available	3,402,430	241,082	24,818	45,949	34,577	68,829
Less:						
2016-17 expenditures	(2,841,877)	(226,391)	(9,091)	(42,173)	(25,464)	(41,339)
Receivables/Payables	283,127	-	-	-	-	-
Outstanding Loans	<u>(79,029)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>764,651</u>	<u>14,691</u>	<u>15,727</u>	<u>3,776</u>	<u>9,113</u>	<u>27,490</u>
Fund Balance Reconciliations to GAAP Basis:						
Audit reclassifications to cash	<u>(328,052)</u>	<u>(14,691)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>436,599</u>	<u>-</u>	<u>15,727</u>	<u>3,776</u>	<u>9,113</u>	<u>27,490</u>
Fund Balance Reconciliation to GAAP Basis:						
Modified Accrual Adjustments	<u>(217,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Modified Accrual Basis	<u>\$ 219,508</u>	<u>-</u>	<u>15,727</u>	<u>3,776</u>	<u>9,113</u>	<u>27,490</u>

The accompanying notes are an integral part of these financial statements

Federal Flowthrough 24000	Federal Direct 25000	State Flowthrough 27000	State Fund 29000	Public School Capital Outlay 31200	Capital Improvements HB-33 31600	Capital Improvements SB-9 Local 31701	Education Technology Equipment 31900	Total
(37,857)	4,291	(3,132)	-	(62,767)	193,176	119,370	70,160	917,661
<u>115,508</u>	<u>20,247</u>	<u>4,839</u>	<u>3,500</u>	<u>313,834</u>	<u>202,199</u>	<u>278,727</u>	<u>261,477</u>	<u>4,383,596</u>
77,651	24,538	1,707	3,500	251,067	395,375	398,097	331,637	5,301,257
(166,560)	(12,304)	(3,348)	(3,500)	(251,067)	(156,330)	(235,453)	(132,832)	(4,147,729)
15,115	-	-	-	-	-	-	-	298,242
<u>77,389</u>	<u>-</u>	<u>1,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,595</u>	<u>12,234</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>239,045</u>	<u>162,644</u>	<u>198,805</u>	<u>1,451,770</u>
<u>(3,595)</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(346,337)</u>
<u>-</u>	<u>12,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,045</u>	<u>162,644</u>	<u>198,805</u>	<u>1,105,433</u>
							Less agency fund Foundation	(27,490)
								158,962
								<u>\$ 1,236,905</u>
<u>7,738</u>	<u>-</u>	<u>(1,179)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(210,532)</u>
<u>7,738</u>	<u>12,234</u>	<u>(1,179)</u>	<u>-</u>	<u>-</u>	<u>239,045</u>	<u>162,644</u>	<u>198,805</u>	<u>894,901</u>
							Less agency fund Foundation	(27,490)
								134,875
								<u>\$ 1,002,286</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2017

VOLUME IX



**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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MONTESSORI ELEMENTARY SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,019,356
Total Current Assets	<u>1,019,356</u>

Noncurrent Assets:

Capital Assets	
Playground Equipment	12,974
Vehicles	181,427
Building and Improvements	556,135
Less: Accumulated Depreciation	<u>(159,080)</u>
Total Noncurrent Assets	<u>591,456</u>

Total Assets	<u>1,610,812</u>
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Deferred Outflows - Pension Related	<u>830,064</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	1,581
Accrued Liabilities	<u>79,855</u>
Total Current Liabilities	<u>81,436</u>

Noncurrent Liabilities:

Net Pension Liability	<u>3,639,956</u>
Total Noncurrent Liabilities	<u>3,639,956</u>

Total Liabilities	<u>3,721,392</u>
--------------------------	------------------

Deferred Inflows - Pension Related	<u>34,621</u>
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NET POSITION (DEFICIT)

Investment in Capital Assets	591,456
Restricted	962,690
Unrestricted (Deficit)	<u>(2,869,283)</u>
Total Net Position (Deficit)	<u>\$ (1,315,137)</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,979,485	275,000	130,680	-	(1,573,805)
Support Services:					
Students	315,634	-	-	-	(315,634)
Instruction	-	-	-	-	-
General Administration	37,987	-	-	-	(37,987)
School Administration	117,645	-	-	-	(117,645)
Central Services	123,304	-	-	-	(123,304)
Operation & Maintenance of Plant	542,060	-	-	-	(542,060)
Operation of Non-Instructional Services	-	-	10,495	-	10,495
Community Services Operations	-	-	-	-	-
Other Support Services	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services	-	-	-	-	-
Facilities Materials, Supplies & Other Services	369,003	-	-	301,126	(67,877)
Total Governmental Activities	\$ 3,485,118	275,000	141,175	301,126	(2,767,817)
General Revenues:					
Property Taxes					\$ 379,247
State Equalization Guarantee					2,291,580
Total General Revenues					2,670,827
Change in Net Position (Deficit)					(96,990)
Net Position (Deficit), Beginning of Year					(1,218,147)
Net Position (Deficit), Ending					<u>\$ (1,315,137)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Balance Sheets - Governmental Funds
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Title I IASA 24101
ASSETS			
Cash and Cash Equivalents	\$ 56,666	30,653	-
Total Assets	\$ 56,666	30,653	-
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 1,581	-	-
Accrued Expenses	79,855	-	-
Total Liabilities	81,436	-	-
Fund Balances			
Fund Balance (Deficit):			
Restricted for:			
Instruction		30,653	-
Capital Improvements	-	-	-
Unassigned (Deficit):	(24,770)	-	-
Total Fund Balance (Deficit)	(24,770)	30,653	-
Total Liabilities and Fund Balances	\$ 56,666	30,653	-

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

IDEA-B Entitlement 24106	Public School Capital Outlay 31200	Special Capital Outlay State 31400	HB-33 Capital Improvements 31600
-	-	-	738,531
-	-	-	738,531
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	738,531
-	-	-	-
-	-	-	-
-	-	-	738,531
-	-	-	738,531

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	SB-9 Capital Improvements 31701	Total
ASSETS		
Cash and Cash Equivalents	\$ 193,506	1,019,356
Total Assets	<u>\$ 193,506</u>	<u>1,019,356</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	1,581
Accrued Expenses	-	79,855
Total Liabilities	<u>-</u>	<u>81,436</u>
Fund Balances		
Fund Balance (Deficit):		
Restricted for:		
Instruction	-	769,184
Capital Improvements	193,506	193,506
Unassigned (Deficit):	-	(24,770)
Total Fund Balance (Deficit)	<u>193,506</u>	<u>937,920</u>
Total Liabilities and Fund Balances	<u>\$ 193,506</u>	<u>1,019,356</u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Reconciliation of the Balance Sheets of Governmental Funds
to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds \$ 937,920

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

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

Capital Assets	750,536	
Accumulated Depreciation	<u>(159,080)</u>	
		591,456

Defined benefit pension plan deferred outflows are not financial
resources and, therefore, are not reported in the funds.

830,064

period and, therefore, is not reported in the funds.

(3,639,956)

Defined benefit pension plan deferred inflows are not due and
payable in the current period and, therefore, are not reported
in the funds.

(34,621)

Net Position (Deficit) -Total Governmental Activities

\$ (1,315,137)

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Title I IASA 24101
REVENUES			
Property Taxes	\$ -	-	-
State Grant	2,291,580	29,167	-
Federal Grant	-	-	50,505
Charges for Services	275,000	-	-
Total Revenues	2,566,580	29,167	50,505
EXPENDITURES			
Current:			
Instruction	1,591,613	67,562	50,505
Support Services:			
Students	272,978	-	-
General Administration	37,987	-	-
School Administration	100,332	-	-
Central Services	107,940	-	-
Operation & Maintenance of Plant	532,989	-	-
Capital Outlay	-	-	-
Total Expenditures	2,643,839	67,562	50,505
Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,259)	(38,395)	-
Net Changes in Fund Balances	(77,259)	(38,395)	-
Fund Balances(Deficit) - Beginning of Year	52,489	69,048	-
Fund Balances (Deficit) - End of Year	\$ (24,770)	30,653	-

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

IDEA-B Entitlement 24106	Public School Capital Outlay 31200	Special Capital Outlay State 31400	HB-33 Capital Improvements 31600
-	-	-	254,063
-	301,126	-	-
51,008	-	-	-
-	-	10,495	-
<u>51,008</u>	<u>301,126</u>	<u>10,495</u>	<u>254,063</u>
38,468	-	-	-
12,540	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	301,126	-	34,401
<u>51,008</u>	<u>301,126</u>	<u>-</u>	<u>34,401</u>
-	-	10,495	219,662
-	-	10,495	219,662
-	-	(10,495)	518,869
-	-	-	738,531
<u>-</u>	<u>-</u>	<u>-</u>	<u>738,531</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Statement of Revenues, Expenditures, and Changes In Fund Balances - (Continued)
Governmental Funds
For The Year Ended June 30, 2017**

	SB-9 Capital Improvements 31701	Total
REVENUES		
Property Taxes	\$ 125,184	379,247
State Grant	-	2,621,873
Federal Grant	-	101,513
Charges for Services	-	285,495
Total Revenues	125,184	3,388,128
EXPENDITURES		
Current:		
Instruction	-	1,748,148
Support Services:		
Students	-	285,518
General Administration	-	37,987
School Administration	-	100,332
Central Services	-	107,940
Operation & Maintenance of Plant	-	532,989
Capital Outlay	97,618	433,145
Total Expenditures	97,618	3,246,059
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,566	142,069
Net Changes in Fund Balances	27,566	142,069
Fund Balances(Deficit) - Beginning of Year	165,940	795,851
Fund Balances (Deficit) - End of Year	\$ 193,506	937,920

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance -Total Governmental Funds \$ 142,069

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

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 capital outlay exceeds depreciation for the period.

Capital Outlays	104,128	
Depreciation Expense	<u>(45,691)</u>	
		58,437

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability		<u>(297,496)</u>
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Change in Net Position-Total Governmental Activities		<u><u>\$ (96,990)</u></u>
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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 24,627</u>
Total Assets	<u><u>\$ 24,627</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 24,627</u>
Total Liabilities	<u><u>\$ 24,627</u></u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 30,206	199,268	204,847	24,627
Total Assets	<u>\$ 30,206</u>	<u>199,268</u>	<u>204,847</u>	<u>24,627</u>
 LIABILITIES				
Deposits Held for Others	\$ 30,206	199,268	204,847	24,627
Total Liabilities	<u>\$ 30,206</u>	<u>199,268</u>	<u>204,847</u>	<u>24,627</u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Montessori Elementary's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Montessori Elementary does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Montessori Elementary utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Vehicles	8 years
Playground equipment	20 years
Improvements to land and buildings	20 years

Capital assets for Montessori Elementary are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the New Mexico 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. 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Reclass	June 30, 2017
Capital Assets being Depreciated:				
Playground equipment	\$ 12,974	-	-	12,974
Vehicles	101,747	79,680	-	181,427
Building and Improvements	531,687	24,448	-	556,135
Total	<u>646,408</u>	<u>104,128</u>	<u>-</u>	<u>750,536</u>
Less: Accumulated Depreciation				
Playground equipment	(54)	(649)	-	(703)
Vehicles	(10,599)	(22,679)	-	(33,278)
Building and Improvements	(102,736)	(22,363)	-	(125,099)
Total	<u>(113,389)</u>	<u>(45,691)</u>	<u>-</u>	<u>(159,080)</u>
Capital Assets, Net	<u>\$ 533,019</u>	<u>58,437</u>	<u>-</u>	<u>591,456</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Capital Outlay	\$ 39,986
Operation and Maintenance of Plant	3,775
Instruction	<u>1,930</u>
Total	<u>\$ 45,691</u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

The Montessori Elementary leased equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$639,383. The school's minimum future payments on these leases are as follows:

Year Ending June 30:	
2018	\$ 662,511
2019	<u>640,113</u>
Total	<u>\$ 1,302,624</u>

NOTE 4. RELATED PARTY TRANSACTIONS

The Principal's daughter and the Business Manager's daughter are an employees of the school. The Nepotism Act was waived by governing council in FY 2008 for the Principal's daughter. This contract is reviewed and approved annually by the governing council.

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Montessori Elementary and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For fiscal years ended June 30, 2017 and 2016, Montessori Elementary paid employee and employer contributions of \$215,272 and \$200,796 respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Montessori Elementary reported a liability of \$3,639,956 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016

The schools 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, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Montessori Elementary proportion was 0.05058%, which was an increase of 0.0023% from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

For the year ended June 30, 2017, Montessori Elementary recognized pension expense of \$513,850. At June 30, 2017, Montessori Elementary reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,791	(34,621)
Changes in assumptions	74,095	-
Net difference between projected and actual earnings on pension plan investments	217,275	-
Changes in proportion	307,631	-
Montessori Elementary contributions subsequent to the measurement date	<u>215,272</u>	<u>-</u>
Total	<u>\$ 830,064</u>	<u>(34,621)</u>

The amount of \$215,272 reported as deferred outflows of resources related to pensions resulting from Montessori Elementary's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2018	\$ 228,265
2019	165,962
2020	132,960
2021	<u>52,985</u>
Total	<u>\$ 580,172</u>

Sensitivity of Montessori Elementary's proportionate share of the net pension liability to changes in the discount rate. The following presents the schools proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what Montessori Elementary'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.

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Montessori Elementary
 Notes to the Financial Statements
 June 30, 2017

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Montessori Elementary's proportionate share of the net pension liability	<u>\$ 4,821,037</u>	<u>3,639,956</u>	<u>2,659,992</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, Montessori Elementary's accrued liability due to ERB was \$0 for June payroll paid in July 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.05%	0.04%	0.04%
School's Proportionate Share of Net Pension Liability (Asset)	\$	3,639	3,127	3,512
School's Covered-Employee Payroll	\$	1,549	1,318	1,213
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		234.93%	237.25%	206.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Montessori Elementary is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	2015	2016	2017
Statutory required contributions	\$ 219	201	1,082
Contributions in Relation to the Contractually Required Contribution	191	201	1,082
Annual contribution deficiency (excess)	\$ 28	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Montessori Elementary is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 2,264,318	2,291,580	2,291,580	-
Charges for Services	275,000	275,000	275,000	-
Total Revenues	2,539,318	2,566,580	2,566,580	-
EXPENDITURES				
Current:				
Instruction	1,628,602	1,608,286	1,601,797	6,489
Support Services:				
Students	193,021	273,021	272,978	43
General Administration	27,000	39,000	37,037	1,963
School Administration	100,401	100,401	100,332	69
Central Services	100,046	113,046	107,940	5,106
Operation & Maintenance of Plant	517,248	542,248	540,056	2,192
Other Support Services Operations	-	-	-	-
Total Expenditures	2,566,318	2,676,002	2,660,140	15,862
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,000)	(109,422)	(93,560)	15,862
Other Financing Sources (Uses):				
Designated Cash	27,000	39,000	-	(39,000)
Total Other Financing Sources (Uses):	27,000	39,000	-	(39,000)
Net Changes in Fund Balances	-	(70,422)	(93,560)	(23,138)
Cash or Fund Balances - Beginning of Year	-	-	52,489	52,489
Cash or Fund Balances - End of Year	\$ -	(70,422)	(41,071)	29,351
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ (93,560)	
Adjustments to Revenues			-	
Adjustments to Expenditures			16,301	
NET CHANGE IN FUND BALANCE			\$ (77,259)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 22,722	19,587	29,167	9,580
Total Revenues	<u>22,722</u>	<u>19,587</u>	<u>29,167</u>	<u>9,580</u>
EXPENDITURES				
Current:				
Instruction	82,394	79,259	67,562	11,697
Total Expenditures	<u>82,394</u>	<u>79,259</u>	<u>67,562</u>	<u>11,697</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(59,672)</u>	<u>(59,672)</u>	<u>(38,395)</u>	<u>21,277</u>
Other Financing Sources (Uses):				
Designated Cash	41,697	41,697	-	(41,697)
Total Other Financing Sources (Uses):	<u>41,697</u>	<u>41,697</u>	<u>-</u>	<u>(41,697)</u>
Net Changes in Fund Balances	<u>(17,975)</u>	<u>(17,975)</u>	<u>(38,395)</u>	<u>(20,420)</u>
Cash or Fund Balances - Beginning of Year	-	-	69,048	69,048
Cash or Fund Balances - End of Year	<u>\$ (17,975)</u>	<u>(17,975)</u>	<u>30,653</u>	<u>48,628</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ (38,395)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (38,395)</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 38,525	50,505	50,505	-
Total Revenues	<u>38,525</u>	<u>50,505</u>	<u>50,505</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	38,525	50,505	50,505	-
Total Expenditures	<u>38,525</u>	<u>50,505</u>	<u>50,505</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 52,983	101,863	51,008	(50,855)
Total Revenues	<u>52,983</u>	<u>101,863</u>	<u>51,008</u>	<u>(50,855)</u>
EXPENDITURES				
Current:				
Instruction	40,000	53,880	38,468	15,412
Support Services:				
Students	12,983	47,983	12,540	35,443
Total Expenditures	<u>52,983</u>	<u>101,863</u>	<u>51,008</u>	<u>50,855</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	301,126	373,002	71,876
Total Revenues	-	301,126	373,002	71,876
EXPENDITURES				
Capital Outlay	-	301,126	301,126	-
Total Expenditures	-	301,126	301,126	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	71,876	71,876
Net Changes in Fund Balances	-	-	71,876	71,876
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	71,876	71,876
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 71,876	
Adjustments to Revenues			(71,876)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay State 31400
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	114,640	114,640
Total Revenues	-	-	114,640	114,640
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	114,640	114,640
Net Changes in Fund Balances	-	-	114,640	114,640
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	114,640	114,640
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 114,640	
Adjustments to Revenues			(114,640)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	768,745	254,063	(514,682)
Total Revenues	<u>-</u>	<u>768,745</u>	<u>254,063</u>	<u>(514,682)</u>
EXPENDITURES				
Current:				
Capital Outlay	-	768,745	34,401	734,344
Total Expenditures	<u>-</u>	<u>768,745</u>	<u>34,401</u>	<u>734,344</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	219,662	219,662
Other financing sources (uses):				
Designated Cash	199,010	199,010	-	(199,010)
Total other financing sources (uses):	<u>199,010</u>	<u>199,010</u>	<u>-</u>	<u>(199,010)</u>
Net Changes in Fund Balances	<u>199,010</u>	<u>199,010</u>	<u>219,662</u>	<u>20,652</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>518,869</u>	<u>518,869</u>
Cash or Fund Balances - End of Year	<u>\$ 199,010</u>	<u>199,010</u>	<u>738,531</u>	<u>539,521</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 219,662	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 219,662</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 125,220	125,220	125,184	(36)
Total Revenues	<u>125,220</u>	<u>125,220</u>	<u>125,184</u>	<u>(36)</u>
EXPENDITURES				
Capital Outlay	293,000	293,000	97,618	195,382
Total Expenditures	<u>293,000</u>	<u>293,000</u>	<u>97,618</u>	<u>195,382</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(167,780)</u>	<u>(167,780)</u>	<u>27,566</u>	<u>195,346</u>
Other Financing Sources (Uses):				
Designated Cash	165,940	165,940	-	165,940
Total Other Financing Sources (Uses):	<u>165,940</u>	<u>165,940</u>	<u>-</u>	<u>165,940</u>
Net Changes in Fund Balances	<u>(1,840)</u>	<u>(1,840)</u>	<u>27,566</u>	<u>29,406</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>165,940</u>	<u>165,940</u>
Cash or Fund Balances - End of Year	<u>\$ (1,840)</u>	<u>(1,840)</u>	<u>193,506</u>	<u>195,346</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 27,566	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 27,566</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/Securtiy</u>		<u>Fair Value</u>
		<u>Number</u>	<u>Maturity Date</u>	<u>June 30, 2017</u>
Wells Fargo	FMAC FGPC	3132QRKX7	7/1/2045	\$ 500,470
				<u>\$ 500,470</u>
			Total Cash per Schedule of Cash Accounts:	1,048,303
			Less: FDIC coverage:	<u>(250,000)</u>
			Uninsured Public Funds:	798,303
			Collateral Requirement:	399,152
			Pledged Collateral Held by Pledging Financial Institution:	<u>500,470</u>
			Balance Over Collateralized:	<u>\$ 101,318</u>
			Balance Uninsured and Uncollateralized at June 30, 2017:	<u>\$ 297,833</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Schedule of Cash Accounts
June 30, 2017**

Bank Account Type	Wells Fargo
Checking - Operational Account	\$ 1,048,303
Total on Deposit	1,048,303
Reconciling Items	(4,320)
Reconciled Balance June 30, 2017	1,043,983
Less Agency Funds	(24,627)
Total Cash	\$ 1,019,356

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Agency Funds 23000
Cash, June 30, 2016	\$ -	69,048	30,206
Add:			
2016-17 revenues	<u>2,566,580</u>	<u>29,167</u>	<u>199,268</u>
Total Cash Available	2,566,580	98,215	229,474
Less:			
2016-17 expenditures	(2,661,373)	(67,562)	(193,847)
Receivables/Payables	79,855	-	-
Permanent Transfer	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>(14,938)</u>	<u>30,653</u>	<u>35,627</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	<u>71,604</u>	<u>-</u>	<u>(11,000)</u>
Cash Per Books	<u>56,666</u>	<u>30,653</u>	<u>24,627</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>(81,436)</u>	<u>-</u>	<u>-</u>
Fund Balance, Modified Accrual Basis	<u>\$ (24,770)</u>	<u>30,653</u>	<u>24,627</u>

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

Federal Projects Account 24000	Public School Capital Outlay 31200	Special Capital Outlay State 31400	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700
-	-	-	390,086	165,940
101,513	373,002	114,640	254,063	-
101,513	373,002	114,640	644,149	165,940
(101,513)	(301,126)	-	(34,401)	-
-	-	-	-	-
-	-	-	-	(165,940)
-	71,876	114,640	609,748	-
-	(71,876)	(114,640)	128,783	-
-	-	-	738,531	-
-	-	-	-	-
-	-	-	738,531	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MONTESSORI ELEMENTARY
Cash Reconciliation - (Continued)
June 30, 2017**

	SB-9 Capital Improvements Local 31701	Total Government
Cash, June 30, 2016	\$ -	655,280
Add:		
	125,184	3,763,417
Total Cash Available	125,184	4,418,697
Less:		
	(97,618)	(3,457,440)
	-	79,855
	165,940	-
Cash June 30, 2017	193,506	1,041,112
Fund Balance Reconciliations to GAAP Basis:		
Audit reclassifications to cash	-	2,871
Cash Per Books	193,506	1,043,983
Less: Agency Fund:		(24,627)
		<u>\$ 1,019,356</u>
Fund Balance Reconciliation to GAAP Basis:		
Modified Accrual Adjustments	-	(81,436)
Fund Balance, Modified Accrual Basis	\$ 193,506	962,547
Less: Agency Fund:		(24,627)
Balance Sheets - Governmental Funds:		<u>\$ 937,920</u>

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

NEW AMERICA SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,130,916
Receivables	
Due from Other Governments	102,722
Total Current Assets	<u>1,233,638</u>

Noncurrent Assets:

Capital Assets	
Building	2,636,589
Furniture, Fixtures, and Equipment	84,312
Building Improvements	85,055
Vehicles	39,507
Less: Accumulated Depreciation	(989,818)
Total Noncurrent Assets	<u>1,855,645</u>

Total Assets	<u>3,089,283</u>
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Deferred Outflows - Pension Related	<u>565,246</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	9,700
Accrued Liabilities	147,603
Current portion of capital lease obligation	133,245
Total Current Liabilities	<u>290,548</u>

Noncurrent Liabilities:

Noncurrent portion of capital lease obligation	1,710,340
Net Pension Liability	3,031,857
Total Noncurrent Liabilities	<u>4,742,197</u>

Total Liabilities	<u>5,032,745</u>
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Deferred Inflows - Pension Related	<u>104,546</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	12,060
Restricted	593,063
Unrestricted (Deficit)	(2,087,885)
Total Net Position (Deficit)	<u>\$ (1,482,762)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,030,250	-	154,719	-	(875,531)
Support Services:					
Students	234,618	-	76,343	-	(158,275)
Instruction	12,108	-	-	-	(12,108)
General Administration	95,355	-	-	-	(95,355)
School Administration	342,559	-	-	-	(342,559)
Central Services	348,987	-	-	-	(348,987)
Operation & Maintenance of Plant	665,442	-	-	-	(665,442)
Food Services	73,406	-	64,003	-	(9,403)
Facilities Materials, Supplies & Other Services	437,838	-	-	279,349	(158,489)
Total Governmental Activities	\$ 3,240,563	-	295,065	279,349	(2,666,149)
General Revenues:					
Property Taxes					\$ 399,248
State Equalization Guarantee					2,193,979
Miscellaneous					16,115
Total General Revenues					<u>2,609,342</u>
Change in Net Position					(56,807)
Net Position (Deficit), Beginning					<u>(1,425,955)</u>
Net Position (Deficit), Ending					<u>\$ (1,482,762)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 541,494	7,864	8,930	-
Accounts Receivable				
Due from Government	-	-	-	10,006
Due from Other Funds	78,175	-	-	-
Total Assets	\$ 619,669	7,864	8,930	10,006
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 9,700	-	-	-
Accrued Expenditures	126,697	-	2,280	4,499
Due to Other Funds	-	-	-	5,507
Total Liabilities	136,397	-	2,280	10,006
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	7,864	-	-
Food Services	-	-	6,650	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	483,272	-	-	-
Total Fund Balance	483,272	7,864	6,650	-
Total Liabilities and Fund Balances	\$ 619,669	7,864	8,930	10,006

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	English Language Acquisition 24153	Teacher/ Principal Training 24154	Golden Apple Foundation 26163	CNM Foundation 26207	College Advisor Initiative 27189
-	-	-	2,000	446	-
67,025	4,945	10,991	-	163	3,834
-	-	-	-	-	-
<u>67,025</u>	<u>4,945</u>	<u>10,991</u>	<u>2,000</u>	<u>609</u>	<u>3,834</u>
-	-	-	-	-	-
14,127	-	-	-	-	-
52,898	4,945	10,991	-	-	3,834
<u>67,025</u>	<u>4,945</u>	<u>10,991</u>	<u>-</u>	<u>-</u>	<u>3,834</u>
-	-	-	2,000	609	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>609</u>	<u>-</u>
<u>67,025</u>	<u>4,945</u>	<u>10,991</u>	<u>2,000</u>	<u>609</u>	<u>3,834</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Balance Sheets - Governmental Funds - (Continued)
June 30, 2017

	Public School Capital Outlay 31200	HB-33 31600	SB-9 Capital Improvements 31700	SB-9 Ad Valorem 31701	Total
ASSETS					
Cash and Cash Equivalents	\$ -	261,247	-	308,935	1,130,916
Accounts Receivable					
Due from Government	-	3,629	-	2,129	102,722
Due from Other Funds	-	-	-	-	78,175
Total Assets	\$ -	264,876	\$ -	\$ 311,064	1,311,813
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	-	-	-	9,700
Accrued Expenditures	-	-	-	-	147,603
Due to Other Funds	-	-	-	-	78,175
Total Liabilities	-	-	-	-	235,478
Fund Balances					
Fund Balance:					
Restricted for:					
Instruction	-	-	-	-	10,473
Food Services	-	-	-	-	6,650
Capital Improvements	-	264,876	-	311,064	575,940
Assigned to:					
Subsequent Years Expenditures and Other Programs	-	-	-	-	483,272
Total Fund Balance	-	264,876	-	311,064	1,076,335
Total Liabilities and Fund Balances	\$ -	264,876	-	311,064	1,311,813

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 1,076,335**

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

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

Capital Assets	2,845,463	
Accumulated Depreciation	<u>(989,818)</u>	
		1,855,645

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		565,246
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The capital lease obligation is not due in the current period and, therefore, is not reported in the funds.		(1,843,585)
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(104,546)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(3,031,857)</u>
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Net Position (Deficit)-Total Governmental Activities		<u><u>\$ (1,482,762)</u></u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	2,193,979	20,330	-	-
Federal Grant	-	-	64,003	40,009
Miscellaneous Income	14,045	-	70	-
Total Revenues	2,208,024	20,330	64,073	40,009
EXPENDITURES				
Current:				
Instruction	811,652	41,365	-	-
Support Services:				
Students	130,963	-	-	40,009
Instruction	12,108	-	-	-
General Administration	95,355	-	-	-
School Administration	319,059	-	-	-
Central Services	336,727	-	-	-
Operation & Maintenance of Plant	833,523	-	-	-
Food Services Operations	5,455	-	66,464	-
Capital Outlay	-	-	-	-
Total Expenditures	2,544,842	41,365	66,464	40,009
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(336,818)</u>	<u>(21,035)</u>	<u>(2,391)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(336,818)</u>	<u>(21,035)</u>	<u>(2,391)</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>820,090</u>	<u>28,899</u>	<u>9,041</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 483,272</u>	<u>7,864</u>	<u>6,650</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	English Language Acquisition 24153	Teacher/ Principal Training 24154	Golden Apple Foundation 26163	CNM Foundation 26207	College Advisor Initiative 27189
-	-	-	-	-	-
-	-	-	-	1,000	-
-	-	-	-	-	36,334
113,087	9,311	10,991	-	-	-
-	-	-	2,000	-	-
<u>113,087</u>	<u>9,311</u>	<u>10,991</u>	<u>2,000</u>	<u>1,000</u>	<u>36,334</u>
86,354	9,311	9,681	-	1,141	3,800
26,733	-	-	-	-	32,534
-	-	-	-	-	-
-	-	1,310	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>113,087</u>	<u>9,311</u>	<u>10,991</u>	<u>-</u>	<u>1,141</u>	<u>36,334</u>
-	-	-	2,000	(141)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,000	(141)	-
-	-	-	-	750	-
-	-	-	2,000	609	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Statement of Revenues, Expenditures, and Changes In Fund Balances - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Public School Capital Outlay 31200	HB-33 31600	SB-9 Capital Improvements 31700	SB-9 Ad Valorem 31701	Total
REVENUES					
Property Taxes	\$ -	264,876	-	134,372	399,248
Local & County Grant	-	-	-	-	1,000
State Grant	258,424	-	20,925	-	2,529,992
Federal Grant	-	-	-	-	237,401
Miscellaneous Income	-	-	-	-	16,115
Total Revenues	258,424	264,876	20,925	134,372	3,183,756
EXPENDITURES					
Current:					
Instruction	-	-	-	-	963,304
Support Services:					
Students	-	-	-	-	230,239
Instruction	-	-	-	-	12,108
General Administration	-	-	-	-	95,355
School Administration	-	-	-	-	320,369
Central Services	-	-	-	-	336,727
Operation & Maintenance of Plant	-	-	-	-	833,523
Food Services Operations	-	-	-	-	71,919
Capital Outlay	258,424	-	20,925	-	279,349
Total Expenditures	258,424	-	20,925	-	3,142,893
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	264,876	-	134,372	40,863
Other financing sources (uses):					
Transfers in (out)	-	-	(176,692)	176,692	-
Total other financing sources (uses)	-	-	(176,692)	176,692	-
Net Changes in Fund Balances	-	264,876	(176,692)	311,064	40,863
Fund Balances - Beginning of Year	-	-	176,692	-	1,035,472
Fund Balances - End of Year	\$ -	264,876	-	311,064	1,076,335

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 40,863**

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

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 capital outlay exceeds
depreciation for the period

Capital Outlays	16,312	
Depreciation Expense	<u>(180,310)</u>	(163,998)

Principal payments of the capital lease obligation		183,426
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Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability		<u>(117,098)</u>
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Change in Net Position-Total Governmental Activities **\$ (56,807)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 31
Total Assets	<u>\$ 31</u>
LIABILITIES	
Deposits Held for Others	\$ 31
Total Liabilities	<u>\$ 31</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 1,231	3,616	(4,816)	31
Total Assets	<u>\$ 1,231</u>	<u>3,616</u>	<u>(4,816)</u>	<u>31</u>
 LIABILITIES				
Deposits Held for Others	\$ 1,231	3,616	(4,816)	31
Total Liabilities	<u>\$ 1,231</u>	<u>3,616</u>	<u>(4,816)</u>	<u>31</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. New America School’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. New America School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. New America School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	3 years
Building	15 years
Buildings and Improvements	3-5 years
Vehicles	5 years

Capital assets for New America School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Building	\$ 2,636,589	-	-	2,636,589
Furniture, Fixtures and Equipment	68,000	16,312	-	84,312
Building Improvements	85,055	-	-	85,055
Vehicles	39,507	-	-	39,507
<i>Total</i>	<u>2,829,151</u>	<u>16,312</u>	<u>-</u>	<u>2,845,463</u>
<i>Less: Accumulated Depreciation</i>				
Building	(655,504)	(174,801)	-	(830,305)
Furniture, Fixtures and Equipment	(68,000)	(969)	-	(68,969)
Building Improvements	(51,998)	(3,157)	-	(55,155)
Vehicles	(34,006)	(1,383)	-	(35,389)
<i>Total</i>	<u>(809,508)</u>	<u>(180,310)</u>	<u>-</u>	<u>(989,818)</u>
Capital Assets, Net	<u>\$ 2,019,643</u>	<u>(163,998)</u>	<u>-</u>	<u>1,855,645</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Operation & Maintenance of Plant	\$	5,509
Facilities, Materials, Supplies & Other Services		174,801
Total	\$	180,310

NOTE 3. COMMITMENTS AND LIABILITIES

Beginning September 2012, New America School converted the operating lease for the building to a capital lease with the landlord, CSDCPC NAS, LLC. The lease passes title to New America School at the end of the lease term and there is a bargain purchase option. The following is an analysis of the leased property under capital leases by major class:

<u>Classes of Property</u>	<u>Asset Balance</u>
Building	\$ 2,636,589
Less: Accumulated amortization	(830,305)
	<u>\$ 1,806,284</u>

The following is a schedule of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2017:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 133,245	195,825	329,070
2019	110,969	183,484	294,453
2020	123,872	170,581	294,453
2021	138,275	156,179	294,454
2022	167,998	150,993	318,991
2023-2027	1,072,865	374,865	1,447,730
2028-2032	96,361	2,235	98,596
Total	<u>\$ 1,843,585</u>	<u>1,234,162</u>	<u>3,077,747</u>

The total outstanding principal balance under this capital lease is reflected on the statement of net position as current and noncurrent portions of long-term debt of \$133,245 and \$1,710,340, respectively. During fiscal year 2017, interest expense totaled \$214,879 and principal payments totaled \$183,426.

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to New America School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, New America School paid employee and employer contributions of \$172,181 and \$167,025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, New America School reported a liability of \$3,031,857 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

New America School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, New America School’s proportion was 0.04213%, which was an increase of 0.00275% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, New America School recognized pension expense of \$290,387. At June 30, 2017, New America School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,153	(28,837)
Changes in assumptions	61,716	-
Net difference between projected and actual earnings on pension plan investments	180,977	-
Changes in proportion and differences between New America School's contributions and proportionate share of contributions	137,219	(75,709)
New America School's contributions subsequent to the measurement date	<u>172,181</u>	<u>-</u>
Total	<u>\$ 565,246</u>	<u>(104,546)</u>

The amount of \$172,181 reported as deferred outflows of resources related to pensions resulting from New America School contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 59,142
2019	63,586
2020	121,659
2021	<u>44,132</u>
Total	\$ 288,519

Sensitivity of New America School's proportionate share of the net pension liability to changes in the discount rate. The following presents New America School's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what New America 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:

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New America School
 Notes to the Financial Statements
 June 30, 2017

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
The School's proportionate share of the net pension liability	<u>\$ 4,015,625</u>	<u>3,031,857</u>	<u>2,215,608</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, New America School owed \$39,912 to ERB for fiscal year 2017 contributions.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	Fiscal Year	30-Jun		
		2017	2016	2015
	Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)		0.04213%	0.03938%	0.04183%
School's Proportionate Share of Net Pension Liability (Asset)	\$	3,032	2,551	2,387
School's Covered-Employee Payroll	\$	1,155	1,075	1,153
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	237.23%	207.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for New America School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 155	167	172
Contributions in Relation to the Contractually Required Contribution	155	167	172
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for New America School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 2,281,463	2,193,979	2,193,979	-
Miscellaneous Income	-	14,045	14,045	-
Total Revenues	2,281,463	2,208,024	2,208,024	-
EXPENDITURES				
Current:				
Instruction	1,142,870	1,132,851	813,599	319,252
Support Services:				
Students	142,689	184,276	130,963	53,313
Instruction	35,000	12,856	12,108	748
General Administration	81,400	102,157	95,357	6,800
School Administration	341,481	353,678	319,043	34,635
Central Services	309,724	353,729	337,208	16,521
Operation & Maintenance of Plant	882,733	887,714	840,888	46,826
Food Services Operations	20,330	20,330	5,455	14,875
Total Expenditures	2,956,227	3,047,591	2,554,621	492,970
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(674,764)</i>	<i>(839,567)</i>	<i>(346,597)</i>	<i>492,970</i>
Other Financing Sources (Uses):				
Designated Cash	674,764	839,567	-	(839,567)
Total Other Financing Sources (Uses):	674,764	839,567	-	(839,567)
Net Changes in Fund Balances	-	-	(346,597)	(346,597)
Cash or Fund Balances - Beginning of Year	-	-	820,090	820,090
Cash or Fund Balances - End of Year	\$ -	-	473,493	473,493
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (346,597)	
Adjustments to Revenues			-	
Adjustments to Expenditures			9,779	
NET CHANGE IN FUND BALANCE			\$ (336,818)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 24,094	15,297	20,330	5,033
Total Revenues	<u>24,094</u>	<u>15,297</u>	<u>20,330</u>	<u>5,033</u>
EXPENDITURES				
Current:				
Instruction	53,397	44,196	41,365	2,831
Total Expenditures	<u>53,397</u>	<u>44,196</u>	<u>41,365</u>	<u>2,831</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(29,303)</u>	<u>(28,899)</u>	<u>(21,035)</u>	<u>7,864</u>
Other Financing Sources (Uses):				
Designated Cash	29,303	28,899	-	(28,899)
Total Other Financing Sources (Uses):	<u>29,303</u>	<u>28,899</u>	<u>-</u>	<u>(28,899)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(21,035)</u>	<u>(21,035)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>28,899</u>	<u>28,899</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>7,864</u>	<u>7,864</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (21,035)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (21,035)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 85,000	85,000	64,003	(20,997)
Charges for Services	-	-	70	70
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>64,073</u>	<u>(20,927)</u>
EXPENDITURES				
Current:				
Food Services Operations	85,000	94,041	66,464	27,577
Total Expenditures	<u>85,000</u>	<u>94,041</u>	<u>66,464</u>	<u>27,577</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(9,041)	(2,391)	6,650
Other Financing Sources (Uses):				
Designated Cash	-	9,041	-	(9,041)
Total Other Financing Sources (Uses):	<u>-</u>	<u>9,041</u>	<u>-</u>	<u>(9,041)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,391)</u>	<u>(2,391)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>9,041</u>	<u>9,041</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>6,650</u>	<u>6,650</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (2,391)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (2,391)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 32,702	92,875	30,003	(62,872)
Total Revenues	<u>32,702</u>	<u>92,875</u>	<u>30,003</u>	<u>(62,872)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	32,702	92,875	40,009	52,866
Total Expenditures	<u>32,702</u>	<u>92,875</u>	<u>40,009</u>	<u>52,866</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(10,006)	(10,006)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(10,006)</u>	<u>(10,006)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(10,006)</u>	<u>(10,006)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (10,006)	
Adjustments to Revenues			10,006	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 61,936	138,500	46,063	(92,437)
Total Revenues	<u>61,936</u>	<u>138,500</u>	<u>46,063</u>	<u>(92,437)</u>
EXPENDITURES				
Current:				
Instruction	26,000	87,452	86,354	1,098
Support Services:				
Students	35,936	51,048	26,733	24,315
Total Expenditures	<u>61,936</u>	<u>138,500</u>	<u>113,087</u>	<u>25,413</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(67,024)</u>	<u>(67,024)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(67,024)</u>	<u>(67,024)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(67,024)</u>	<u>(67,024)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (67,024)	
Adjustments to Revenues			67,024	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
English Language Acquisition 24153
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 16,936	45,646	4,366	(41,280)
Total Revenues	<u>16,936</u>	<u>45,646</u>	<u>4,366</u>	<u>(41,280)</u>
EXPENDITURES				
Current:				
Instruction	16,605	45,315	8,283	37,032
Support Services:				
General Administration	331	331	-	331
Total expenditures	<u>16,936</u>	<u>45,646</u>	<u>8,283</u>	<u>37,363</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(3,917)	(3,917)
Net changes in Fund Balances	-	-	(3,917)	(3,917)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,917)</u>	<u>(3,917)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,917)	
Adjustments to Revenues			4,945	
Adjustments to Expenditures			(1,028)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher/Principal Training 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 13,568	16,142	-	(16,142)
Total Revenues	<u>13,568</u>	<u>16,142</u>	<u>-</u>	<u>(16,142)</u>
EXPENDITURES				
Current:				
Instruction	6,784	9,708	9,681	27
Support Services:				
School Administration	6,784	6,434	1,310	5,124
Total expenditures	<u>13,568</u>	<u>16,142</u>	<u>10,991</u>	<u>5,151</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(10,991)	(10,991)
Net changes in Fund Balances	-	-	(10,991)	(10,991)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(10,991)</u>	<u>(10,991)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (10,991)	
Adjustments to Revenues			10,991	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Golden Apple Foundation 26163
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Miscellaneous income	\$ -	2,000	2,000	-
Total Revenues	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	2,000	-	2,000
Total Expenditures	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,000	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 2,000</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
CNM Foundation 26207
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ 500	500	1,000	500
Total Revenues	<u>500</u>	<u>500</u>	<u>1,000</u>	<u>500</u>
EXPENDITURES				
Current:				
Instruction	1,250	1,250	1,141	109
Total expenditures	<u>1,250</u>	<u>1,250</u>	<u>1,141</u>	<u>109</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(750)</u>	<u>(750)</u>	<u>(141)</u>	<u>609</u>
Other financing sources (uses):				
Designated Cash	750	750	-	(750)
Total other financing sources (uses):	<u>750</u>	<u>750</u>	<u>-</u>	<u>(750)</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(141)</u>	<u>(141)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>750</u>	<u>750</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>609</u>	<u>609</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (141)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (141)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
College Advisor Initiative 27189
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 45,500	45,500	32,500	(13,000)
Total Revenues	<u>45,500</u>	<u>45,500</u>	<u>32,500</u>	<u>(13,000)</u>
EXPENDITURES				
Current:				
Instruction	-	6,500	3,800	2,700
Support Services:				
Students	45,500	39,000	32,534	6,466
Total Expenditures	<u>45,500</u>	<u>45,500</u>	<u>36,334</u>	<u>9,166</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(3,834)	(3,834)
Net Changes in Fund Balances	-	-	(3,834)	(3,834)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,834)</u>	<u>(3,834)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,834)	
Adjustments to revenues			3,834	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	258,424	258,424	-
Total Revenues	<u>-</u>	<u>258,424</u>	<u>258,424</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	258,424	258,424	-
Total Expenditures	<u>-</u>	<u>258,424</u>	<u>258,424</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 31600
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Property Taxes	\$ 268,160	268,160	261,247	(6,913)
Total Revenues	<u>268,160</u>	<u>268,160</u>	<u>261,247</u>	<u>(6,913)</u>
EXPENDITURES				
Capital Outlay	268,160	268,160	-	268,160
Total Expenditures	<u>268,160</u>	<u>268,160</u>	<u>-</u>	<u>268,160</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	261,247	261,247
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>261,247</u>	<u>261,247</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>261,247</u>	<u>261,247</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 261,247	
Adjustments to revenues			3,629	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 264,876</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 27,183	35,066	20,925	(14,141)
Total Revenues	<u>27,183</u>	<u>35,066</u>	<u>20,925</u>	<u>(14,141)</u>
EXPENDITURES				
Capital Outlay	27,183	35,066	20,925	14,141
Total Expenditures	<u>27,183</u>	<u>35,066</u>	<u>20,925</u>	<u>14,141</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Other financing sources (uses):				
Transfers	-	-	(176,692)	(176,692)
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>(176,692)</u>	<u>(176,692)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(176,692)</u>	<u>(176,692)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>176,692</u>	<u>176,692</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ (176,692)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (176,692)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Ad Valorem 31701
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Property Taxes	\$ 134,382	134,382	134,222	(160)
Total Revenues	<u>134,382</u>	<u>134,382</u>	<u>134,222</u>	<u>(160)</u>
EXPENDITURES				
Capital Outlay	328,010	328,010	-	328,010
Total Expenditures	<u>328,010</u>	<u>328,010</u>	<u>-</u>	<u>328,010</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(193,628)</u>	<u>(193,628)</u>	<u>134,222</u>	<u>327,850</u>
Other financing sources (uses):				
Transfers	176,692	176,692	176,692	-
Total other financing sources (uses):	<u>176,692</u>	<u>176,692</u>	<u>176,692</u>	<u>-</u>
Net Changes in Fund Balances	<u>(16,936)</u>	<u>(16,936)</u>	<u>310,914</u>	<u>327,850</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ (16,936)</u>	<u>(16,936)</u>	<u>310,914</u>	<u>327,850</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ 310,914	
Adjustments to Revenues			150	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 311,064</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Wells Fargo Bank	FMAC FGPC	3132QSUG1	9/1/2045	\$ 126,383
Wells Fargo Bank	FNMA FNMS	3138AXSL6	11/1/2026	243,655
Wells Fargo Bank	FNMA FNMS	3138EG4S0	9/1/2026	1,296
Wells Fargo Bank	FNMS 03.500 CT	31418A2W7	12/1/2033	134,748
				<u>\$ 506,082</u>

Total Cash in Bank per Schedule of Cash Accounts:	\$ 1,171,631
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	921,631
Collateral Requirement:	460,816
Pledged Collateral Held by Pledging Financial Institution:	<u>506,082</u>
Balance Over Collateralized:	<u>\$ 45,266</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	<u>\$ 415,549</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 1,171,600
Checking - Activity Account	31
<i>Total on Deposit</i>	1,171,631
Reconciling Items	(40,684)
Reconciled Balance June 30, 2017	1,130,947
Less Agency Funds	(31)
<i>Total Cash</i>	\$ 1,130,916

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000
Cash, June 30, 2016	\$ 829,139	28,899	10,251	1,231
Add:				
2016-17 revenues	2,208,024	20,330	64,073	3,616
Total Cash Available	3,037,163	49,229	74,324	4,847
Less:				
2016-17 expenditures	(2,554,621)	(41,365)	(66,464)	(4,816)
Receivables/Payables	126,697	-	2,280	-
Outstanding Loans	(78,175)			
Cash transfers	-	-	-	-
Cash June 30, 2017	531,064	7,864	10,140	31
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	10,430	-	(1,210)	-
Cash Per Books	541,494	7,864	8,930	31
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(58,222)	-	(2,280)	(31)
Fund Balance, Modified Accrual Basis	\$ 483,272	7,864	6,650	-

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	Local Grants 26000	State Flow Through 27000	Public School Capital Outlay 31200	HB-33 31600	SB-9 Capital Improvements 31700
-	750	-	-	-	174,713
80,432	3,000	32,500	258,424	261,247	20,925
80,432	3,750	32,500	258,424	261,247	195,638
(172,370)	(1,141)	(36,334)	(258,424)	-	(20,925)
18,626	-	-	-	-	-
74,341	-	3,834	-	-	-
-	-	-	-	-	(174,713)
1,029	2,609	-	-	261,247	-
(1,029)	(163)	-	-	-	-
-	2,446	-	-	261,247	-
-	163	-	-	3,629	-
-	2,609	-	-	264,876	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School
Cash Reconciliation - (Continued)
June 30, 2017

	SB-9 Ad Valorem 31701	Total
Cash, June 30, 2016	\$ -	1,044,983
Add:		
2016-17 revenues	134,222	3,086,793
Total Cash Available	134,222	4,131,776
Less:		
2016-17 expenditures	-	(3,156,460)
Receivables/Payables	-	147,603
Outstanding Loans	-	-
Cash transfers	174,713	-
Cash June 30, 2017	308,935	1,122,919
Fund Balance Reconciliations to GAAP Basis:		
Audit reclassifications to cash	-	8,028
Cash Per Books	308,935	1,130,947
Less - Agency Fund:		(31)
		\$ 1,130,916
Fund Balance Reconciliation to GAAP Basis:		
Modified Accrual Adjustments	2,129	(54,612)
Fund Balance, Modified Accrual Basis	\$ 311,064	1,076,335

The accompanying notes are an integral part of these financial statements

NEW AMERICA SCHOOL OF LAS CRUCES

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,159,407
Receivables	
Due from Other Governments	38,715
	<hr/>
Total Current Assets	1,198,122
	<hr/>

Noncurrent Assets:

Capital Assets	
Building and Improvements	45,716
Vehicles	39,604
Furniture, Fixtures, and Equipment	24,023
Less: Accumulated Depreciation	(55,655)
	<hr/>
Total Noncurrent Assets	53,688
	<hr/>

Total Assets

1,251,810

Deferred Outflow - Pension Related

795,558

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	8,329
Accrued Liabilities	137,002
	<hr/>
Total Current Liabilities	145,331
	<hr/>

Noncurrent Liabilities

Net Pension Liability	2,969,968
	<hr/>

Total Noncurrent Liabilities

2,969,968

Total Liabilities

3,115,299

Deferred Inflow - Pension Related

28,248

NET POSITION (DEFICIT)

Net Investment in Capital Assets	53,688
Restricted	483,167
Unrestricted (Deficit)	(1,633,034)
	<hr/>
Total Net Position (Deficit)	\$ (1,096,179)
	<hr/> <hr/>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Program Revenues	Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,040,241	-	166,652	-	(873,589)
Support Services:					
Students	196,422	-	19,475	-	(176,947)
Instruction	10,838	-	-	-	(10,838)
General Administration	112,083	-	-	-	(112,083)
School Administration	496,926	-	-	-	(496,926)
Central Services	343,467	-	-	-	(343,467)
Operation & Maintenance of Plant	573,767	-	-	-	(573,767)
Student Transportation	7,921	-	-	-	(7,921)
Food Services	71,453	90	59,714	-	(11,649)
Facilities Materials, Supplies & Other Services	214,985	-	-	214,985	-
Total governmental activities	<u>\$ 3,068,103</u>	<u>90</u>	<u>245,841</u>	<u>214,985</u>	<u>(2,607,187)</u>
General Revenues:					
Property Taxes					\$ 203,761
State Equalization Guarantee					<u>2,256,449</u>
Total General Revenues					<u>2,460,210</u>
Change in Net Position					(146,977)
Net Position (Deficit), Beginning					(949,202)
Net Position (Deficit), Ending					<u>\$ (1,096,179)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
ASSETS			
Cash and Cash Equivalents	\$ 674,316	25,556	13,347
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	38,209	-	-
Total Assets	712,525	25,556	13,347
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	8,329	-	-
Accrued Expenses	134,572	-	146
Due to Other Funds	-	-	-
Total Liabilities	142,901	-	146
Fund Balances			
Fund Balance:			
Restricted for:			
Instruction	-	25,556	-
Food Service Operations	-	-	13,201
Capital Improvements	-	-	-
Unassigned	569,624	-	-
Total Fund Balance	569,624	25,556	13,201
Total Liabilities and Fund Balance	\$ 712,525	25,556	13,347

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

Title I IASA 24101	IDEA-B Entitlement 24106	English Language Acquisition 24153	Teacher Principal Training 24154	USDA Equipment Assistance 24183
519	620	-	-	-
-	-	1,027	4,963	11,571
-	-	-	-	-
519	620	1,027	4,963	11,571
-	-	-	-	-
519	620	-	-	-
-	-	1,027	4,963	11,571
-	-	-	-	-
519	620	1,027	4,963	11,571
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
519	620	1,027	4,963	11,571

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Balance Sheets - Governmental Funds -(Continued)
June 30, 2017

	Spaceport Grant 26204	Dual Credit Instructional Materials 27103	2012 SB-66 Student Library 27107	Truancy Initiative 27141
ASSETS				
Cash and Cash Equivalents	\$ 11,926	-	-	639
Accounts Receivable				
Due from Government	-	-	3,879	-
Due from Other Funds	-	-	-	-
Total Assets	11,926	-	3,879	639
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	-	-	-	-
Accrued Expenses	-	-	-	639
Due to Other Funds	-	-	3,879	-
Total Liabilities	-	-	3,879	639
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	11,926	-	-	-
Food Service Operations	-	-	-	-
Capital Improvements	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	11,926	-	-	-
Total Liabilities and Fund Balance	\$ 11,926	-	3,879	639

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

College Advisor Initiative 27189	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total Government
-	-	351,695	80,789	1,159,407
17,275	-	-	-	38,715
-	-	-	-	38,209
<u>17,275</u>	<u>-</u>	<u>351,695</u>	<u>80,789</u>	<u>1,236,331</u>
-	-	-	-	8,329
506	-	-	-	137,002
16,769	-	-	-	38,209
<u>17,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,540</u>
-	-	-	-	37,482
-	-	-	-	13,201
-	-	351,695	80,789	432,484
-	-	-	-	569,624
<u>-</u>	<u>-</u>	<u>351,695</u>	<u>80,789</u>	<u>1,052,791</u>
<u>17,275</u>	<u>-</u>	<u>351,695</u>	<u>80,789</u>	<u>1,236,331</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 1,052,791**

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

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

Capital Assets	109,343	
Accumulated Depreciation	(55,655)	
	53,688	53,688

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.

795,558

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.

(2,969,968)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.

(28,248)

Net Position (Deficit)-Total Governmental Activities

\$ (1,096,179)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Statement of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	4,817	-	-
State Grant	2,256,449	19,462	-
Federal Grant	-	-	59,714
Charges for Services	-	-	90
Total Revenues	2,261,266	19,462	59,804
EXPENDITURES			
Current:			
Instruction	754,979	819	-
Support Services:			
Students	97,531	-	-
Instruction	6,953	-	-
General Administration	112,083	-	-
School Administration	408,849	-	-
Central Services	309,990	-	-
Operation & Maintenance of Plant	529,893	-	-
Food Services Operations	17,191	-	52,271
Capital Outlay	-	-	-
Total Expenditures	2,237,469	819	52,271
Net Changes in Fund Balances	23,797	18,643	7,533
Fund Balances - Beginning of Year	545,827	6,913	5,668
Fund Balances - End of Year	\$ 569,624	25,556	13,201

Title I IASA 24101	IDEA-B Entitlement 24106	English Language Acquisition 24153	Teacher Principal Training 24154	USDA Equipment Assistance 24183
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12,236	39,073	-	4,963	11,571
-	-	-	-	-
<u>12,236</u>	<u>39,073</u>	<u>-</u>	<u>4,963</u>	<u>11,571</u>
12,236	39,073	-	4,963	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	11,571
-	-	-	-	-
<u>12,236</u>	<u>39,073</u>	<u>-</u>	<u>4,963</u>	<u>11,571</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Statement of Revenues, Expenditures, and Change In Fund Balances - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Spaceport Grant 26204	Dual Credit Instructional Materials 27103	2012 SB-66 Student Library 27107	Truancy Initiative 27141
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	19,976	-	-	-
State Grant	-	675	3,879	50,000
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	19,976	675	3,879	50,000
EXPENDITURES				
Current:				
Instruction	30,135	675	-	-
Support Services:				
Students	-	-	-	50,000
Instruction	-	-	3,879	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of I	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	30,135	675	3,879	50,000
Net Changes in Fund Balances	(10,159)	-	-	-
Fund Balances - Beginning of Year	22,085	-	-	-
Fund Balances - End of Year	\$ 11,926	-	-	-

College Advisor Initiative 27189	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total Government
-	-	122,972	80,789	203,761
-	-	-	-	24,793
19,475	214,985	-	-	2,564,925
-	-	-	-	127,557
-	-	-	-	90
19,475	214,985	122,972	80,789	2,921,126
6,969	-	-	-	849,849
12,506	-	-	-	160,037
-	-	-	-	10,832
-	-	-	-	112,083
-	-	-	-	408,849
-	-	-	-	309,990
-	-	-	-	529,893
-	-	-	-	81,033
-	214,985	-	-	214,985
19,475	214,985	-	-	2,677,551
-	-	122,972	80,789	243,575
-	-	228,723	-	809,216
-	-	351,695	80,789	1,052,791

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds	\$	243,575
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<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 capital outlay exceeds depreciation for the period</p>		
Capital Outlays	11,571	
Depreciation Expense	<u>(14,583)</u>	(3,012)
Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability		<u>(387,540)</u>
Change in Net Position-Total Governmental Activities	\$	<u>(146,977)</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Statement of Fiduciary Assets and Liabilities-Agency Funds
June 30, 2017

	Agency Funds
	<hr/>
ASSETS	
Cash in Bank	\$ 2,837
Total Assets	<hr/> 2,837 <hr/>
LIABILITIES	
Deposits Held for Others	2,837
Total Liabilities	<hr/> \$ 2,837 <hr/>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 1,596	3,374	(2,133)	2,837
Total Assets	<u>1,596</u>	<u>3,374</u>	<u>(2,133)</u>	<u>2,837</u>
LIABILITIES				
Deposits Held for Others	1,596	3,374	(2,133)	2,837
Total Liabilities	<u>\$ 1,596</u>	<u>3,374</u>	<u>(2,133)</u>	<u>2,837</u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School – Las Cruces
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. New America School–Las Cruces’ capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. New America School–Las Cruces does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. New America School–Las Cruces utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Vehicles	5 years
Buildings and Improvements	40 years

Capital assets for New America School–Las Cruces are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 12,452	11,571	-	24,023
Building Improvements	45,716	-	-	45,716
Vehicles	39,604	-	-	39,604
<i>Total</i>	<u>97,772</u>	<u>11,571</u>	<u>-</u>	<u>109,343</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(3,218)	(2,490)	-	(5,708)
Building Improvements	(16,514)	(4,172)	-	(20,686)
Vehicles	(21,340)	(7,921)	-	(29,261)
<i>Total</i>	<u>(41,072)</u>	<u>(14,583)</u>	<u>-</u>	<u>(55,655)</u>
Capital Assets, Net	\$ <u>56,700</u>	<u>(3,012)</u>	<u>-</u>	<u>53,688</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School – Las Cruces
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Operations/Plant Maintenance	\$	5,210
Student Transportation		7,921
Food Services Operations		1,452
Total	\$	14,583

NOTE 3. COMMITMENTS AND LIABILITIES

New America School–Las Cruces leased equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017, was \$371,250. The school’s minimum future payments on this lease are as follows:

Year Ending June 30:		
2018	\$	393,938
2019		396,000
2020		396,000
2021		396,000
Total lease payments	\$	1,581,938

NOTE 4. RELATED PARTIES

The business manager services are performed by the Vigil Group, which performed services for multiple state charter schools.

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to the New America School – Las Cruces and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School – Las Cruces
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, New America School – Las Cruces paid employee and employer contributions of \$153,203 and \$163,829.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, New America School – Las Cruces reported a liability of \$2,969,968 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

The New America School – Las Cruces’ 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, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, New America School – Las Cruces proportion was 0.04127%, which was an increase of 0.00352 from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School – Las Cruces
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

For the year ended June 30, 2017, New America School – Las Cruces recognized pension expense of \$541,598. At June 30, 2017, New America School – Las Cruces reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,885	(28,248)
Changes in assumptions	60,457	-
Net difference between projected and actual earnings on pension plan investments	177,282	-
Changes in proportion	391,731	-
New America School-Las Cruces contributions subsequent to the measurement date	<u>153,203</u>	<u>-</u>
Total	<u>\$ 795,558</u>	<u>(28,248)</u>

\$153,203 reported as deferred outflows of resources related to pensions resulting from New America School – Las Cruces contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 294,978
2019	145,917
2020	129,981
2021	43,231
Total	<u>\$ 614,107</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New America School – Las Cruces
 Notes to the Financial Statements
 June 30, 2017

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of New America School – Las Cruces’ proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the (employer’s) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current single discount rate.

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
New America School-Las Cruces’ proportionate share of the net pension liability	\$ 3,933,654	2,969,968	2,170,381

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, New America School-Las Cruces’ accrued liability due to ERB was \$43,792 for payroll which was paid in July 2017.

NOTE 6. BUDGETARY INFORMATION

A budget was not adopted for the English Language Acquisition Fund 24153. Therefore, a budgetary schedule is not provided for this fund.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW AMERICA SCHOOL - LAS CRUCES
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

Fiscal Year Measurement Date	30-Jun		
	2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)	0.04%	0.04%	0.04%
School's Proportionate Share of Net Pension Liability (Asset)	\$ 2,970	2,445	2,023
School's Covered-Employee Payroll	\$ 1,131	1,031	977
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	262.60%	237.23%	207.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for New America School - Las Cruces is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW AMERICA SCHOOL - LAS CRUCES
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	\$ 129	164	153
Contributions in Relation to the Contractually Required Contribution	<u>129</u>	<u>164</u>	<u>153</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for New America School - Las Cruces is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Local & County Grant	\$ -	4,250	4,817	567
State grant	2,333,802	2,256,449	2,256,449	-
Total Revenues	2,333,802	2,260,699	2,261,266	567
Expenditures:				
Current:				
Instruction	1,269,899	1,018,168	755,059	263,109
Support Services:				
Students	129,714	188,165	129,407	58,758
Instruction	26,766	26,793	6,953	19,840
General Administration	93,000	165,146	135,269	29,877
School Administration	442,894	469,106	408,974	60,132
Central Services	334,036	347,328	309,990	37,338
Operation & Maintenance of Plant	572,612	594,411	526,982	67,429
Food Services Operations	24,218	24,218	17,191	7,027
Total expenditures	2,893,139	2,833,335	2,289,825	543,510
<i>Excess (deficiency) of revenues over (under) expenditures</i>				
	(559,337)	(572,636)	(28,559)	544,077
Other financing sources (uses):				
Designated Cash	559,337	572,636	-	(572,636)
Total other financing sources (uses):	559,337	572,636	-	(572,636)
Net changes in fund balances	-	-	(28,559)	(28,559)
Cash or fund balances - beginning of year	-	-	545,827	545,827
Cash or fund balances - end of year	\$ -	-	517,268	517,268
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (28,559)	
<i>Adjustments to expenditures</i>			52,356	
NET CHANGE IN FUND BALANCE			\$ 23,797	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State grant	\$ 18,397	14,644	19,462	4,818
Total Revenues	18,397	14,644	19,462	4,818
Expenditures:				
Current:				
Instruction	24,839	21,557	819	20,738
Total expenditures	24,839	21,557	819	20,738
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<i>(6,442)</i>	<i>(6,913)</i>	<i>18,643</i>	<i>25,556</i>
Other financing sources (uses):				
Designated Cash	6,442	6,913	-	(6,913)
Total other financing sources (uses):	6,442	6,913	-	(6,913)
Net changes in fund balances	-	-	18,643	18,643
Cash or fund balances - beginning of year	-	-	6,913	6,913
Cash or fund balances - end of year	\$ -	-	25,556	25,556
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 18,643	
NET CHANGE IN FUND BALANCE			\$ 18,643	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal grant	\$ 46,443	46,443	59,714	13,271
Charges for services	-	-	90	90
Total Revenues	46,443	46,443	59,804	13,361
Expenditures:				
Current:				
Food Services Operations	46,443	52,271	52,271	-
Total expenditures	46,443	52,271	52,271	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(5,828)	7,533	13,361
Other financing sources (uses):				
Designated Cash	-	5,828	-	(5,828)
Total other financing sources (uses):	-	5,828	-	(5,828)
Net changes in fund balances	-	-	7,533	7,533
Cash or fund balances - beginning of year	-	-	5,668	5,668
Cash or fund balances - end of year	\$ -	-	13,201	13,201
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 7,533	
NET CHANGE IN FUND BALANCE			\$ 7,533	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal grant	\$ 34,665	77,691	12,236	(65,455)
Total Revenues	34,665	77,691	12,236	(65,455)
Expenditures:				
Current:				
Instruction	34,665	77,691	12,236	65,455
Total expenditures	34,665	77,691	12,236	65,455
Net changes in fund balances	-	-	-	-
Cash or fund balances - beginning of year	-	-	-	-
Cash or fund balances - end of year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Entitlement 24106
IDEA-B
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal grant	\$ 42,276	52,473	39,073	(13,400)
Total Revenues	42,276	52,473	39,073	(13,400)
Expenditures:				
Current:				
Instruction	42,276	42,276	39,073	3,203
Support Services:				
Students	-	10,197	-	10,197
Total expenditures	42,276	52,473	39,073	13,400
Net changes in fund balances	-	-	-	-
Cash or fund balances - beginning of year	-	-	-	-
Cash or fund balances - end of year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal grant	\$ -	4,963	-	(4,963)
Total Revenues	-	4,963	-	(4,963)
Expenditures:				
Current:				
Instruction	-	4,963	4,963	-
Total expenditures	-	4,963	4,963	-
Net changes in fund balances	-	-	(4,963)	(4,963)
Cash or fund balances - beginning of year	-	-	-	-
Cash or fund balances - end of year	\$ -	-	(4,963)	(4,963)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (4,963)	
Adjustments to revenues			4,963	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
USDA Equipment Assistance 24183
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal grant	\$ -	12,106	-	(12,106)
Total Revenues	-	12,106	-	(12,106)
Expenditures:				
Current:				
Food Services Operations	-	12,106	11,571	535
Total expenditures	-	12,106	11,571	535
Net changes in fund balances	-	-	(11,571)	(11,571)
Cash or fund balances - beginning of year	-	-	5,668	5,668
Cash or fund balances - end of year	\$ -	-	(5,903)	(5,903)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (11,571)	
Adjustments to revenues			11,571	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Spaceport Grant 26204
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Local & County Grant	\$ -	19,976	19,976	-
Total Revenues	-	19,976	19,976	-
Expenditures:				
Current:				
Instruction	19,875	42,061	30,135	11,926
Total expenditures	19,875	42,061	30,135	11,926
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<i>(19,875)</i>	<i>(22,085)</i>	<i>(10,159)</i>	<i>11,926</i>
Other financing sources (uses):				
Designated Cash	19,875	22,085	-	(22,085)
Total other financing sources (uses):	19,875	22,085	-	(22,085)
Net changes in fund balances	-	-	(10,159)	(10,159)
Cash or fund balances - beginning of year	-	-	22,085	22,085
Cash or fund balances - end of year	\$ -	-	11,926	11,926
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>			\$ (10,159)	
<i>Over (Under) Expenditures</i>				
NET CHANGE IN FUND BALANCE			\$ (10,159)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State grant	\$ -	675	675	-
Total Revenues	-	675	675	-
Expenditures:				
Current:				
Instruction	-	675	675	-
Total expenditures	-	675	675	-
Net changes in fund balances	-	-	-	-
Cash or fund balances - beginning of year	-	-	-	-
Cash or fund balances - end of year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
2012 SB-66 Student Library 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State grant	\$ -	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Support Services:				
Instruction	3,879	3,879	3,879	-
Total expenditures	3,879	3,879	3,879	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<i>(3,879)</i>	<i>(3,879)</i>	<i>(3,879)</i>	<i>-</i>
Other financing sources (uses):				
Designated Cash	3,879	3,879	-	(3,879)
Total other financing sources (uses):	3,879	3,879	-	(3,879)
Net changes in fund balances	-	-	(3,879)	(3,879)
Cash or fund balances - beginning of year	-	-	-	-
Cash or fund balances - end of year	\$ -	-	(3,879)	(3,879)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,879)	
Adjustments to revenues			3,879	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Truancy Initiative 27141
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State grant	\$ 50,000	50,000	50,000	-
Total Revenues	50,000	50,000	50,000	-
Expenditures:				
Current:				
Support Services:				
Students	50,000	50,000	50,000	-
	50,000	50,000	50,000	-
Net changes in fund balances	-	-	-	-
Cash or fund balances - beginning of year	-	-	-	-
Cash or fund balances - end of year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
College Advisor Initiative 27189
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State grant	\$ 22,323	22,323	2,200	(20,123)
Total Revenues	22,323	22,323	2,200	(20,123)
Expenditures:				
Current:				
Instruction	-	7,500	6,969	531
Support Services:				
Students	22,323	14,823	12,506	2,317
Total expenditures	22,323	22,323	19,475	2,848
Net changes in fund balances	-	-	(17,275)	(17,275)
Cash or fund balances - beginning of year	-	-	-	-
Cash or fund balances - end of year	\$ -	-	(17,275)	(17,275)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (17,275)	
Adjustments to revenues			17,275	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State grant	\$ -	214,985	214,985	-
Total Revenues	-	214,985	214,985	-
Expenditures:				
Capital outlay	-	214,985	214,985	-
Total expenditures	-	214,985	214,985	-
Net changes in fund balances	-	-	-	-
Cash or fund balances - beginning of year	-	-	-	-
Cash or fund balances - end of year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ -	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$ 125,366	125,366	153,144	27,778
Total Revenues	125,366	125,366	153,144	27,778
Expenditures:				
Capital outlay	352,658	352,658	-	352,658
Total expenditures	352,658	352,658	-	352,658
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<i>(227,292)</i>	<i>(227,292)</i>	<i>153,144</i>	<i>380,436</i>
Other financing sources (uses):				
Designated Cash	227,292	227,292	-	(227,292)
Total other financing sources (uses):	227,292	227,292	-	(227,292)
Net changes in fund balances	-	-	153,144	153,144
Cash or fund balances - beginning of year	-	-	-	-
Cash or fund balances - end of year	\$ -	-	153,144	153,144
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 153,144	
<i>Adjustments to revenues</i>			(30,172)	
NET CHANGE IN FUND BALANCE			\$ 122,972	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements 31700
SB-9
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$ 83,577	83,577	80,789	(2,788)
State grant	47,403	62,749	-	(62,749)
Total Revenues	130,980	146,326	80,789	(65,537)
Expenditures:				
Capital outlay	130,980	146,326	-	146,326
Total expenditures	130,980	146,326	-	146,326
Net changes in fund balances	-	-	80,789	80,789
Cash or fund balances - beginning of year	-	-	-	-
Cash or fund balances - end of year	\$ -	-	80,789	80,789
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 80,789	
NET CHANGE IN FUND BALANCE			\$ 80,789	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Citizens Bank	FHLB	313379EE5	6/14/2019	\$ 509,041
				<u>509,041</u>
			Total Cash per Schedule of Cash Accounts:	1,201,608
			Less: FDIC coverage:	(250,000)
			Uninsured Public Funds:	<u>951,608</u>
			Collateral Requirement:	475,804
			Pledged Collateral Held by Pledging Financial Institution:	<u>509,041</u>
			Balance Over Collateralized:	<u>33,237</u>
			Balance Uninsured and Uncollateralized at June 30, 2017:	<u>\$ 442,567</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	Citizens Bank
Checking - Operational Account	\$ 1,198,637
Checking - Activity Account	2,971
<i>Total on Deposit</i>	1,201,608
Reconciling Items	(39,364)
Reconciled Balance June 30, 2017	1,162,244
Less Agency Funds	(2,837)
<i>Total Cash</i>	\$ 1,159,407

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
	<u>11000</u>	<u>14000</u>	<u>21000</u>
Cash, June 30, 2016	\$ 647,003	6,913	5,828
Add:			
2016-17 revenues	<u>2,261,266</u>	<u>19,462</u>	<u>59,804</u>
Total Cash Available	2,908,269	26,375	65,632
Less:			
2016-17 expenditures	(2,289,825)	(819)	(52,271)
Receivables/Payables	134,572	-	146
Outstanding Loans	<u>(38,209)</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>714,807</u>	<u>25,556</u>	<u>13,507</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	<u>(40,491)</u>	<u>-</u>	<u>(160)</u>
Cash Per Books	<u>674,316</u>	<u>25,556</u>	<u>13,347</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>(104,692)</u>	<u>-</u>	<u>(146)</u>
Fund Balance, Modified Accrual Basis	<u>\$ 610,115</u>	<u>25,556</u>	<u>13,361</u>

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

Agency Funds 23000	Federal Projects Account 24000	Local Grants Account 26000	State Account 27000	Public School Capital Outlay 31200
1,596	-	22,085	-	-
3,374	51,309	19,976	52,875	214,985
4,970	51,309	42,061	52,875	214,985
(2,133)	(67,842)	(30,135)	(74,029)	(214,985)
-	1,139	-	1,145	-
-	17,561	-	20,648	-
2,837	2,167	11,926	639	-
-	(1,028)	-	-	-
2,837	1,139	11,926	639	-
(2,837)	(1,139)	-	(639)	-
-	1,028	11,926	-	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Cash Reconciliation
June 30, 2017**

	Public School HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total Government
Cash, June 30, 2016	\$ 198,551	-	881,976
Add:			
2016-17 revenues	153,144	80,789	2,916,984
Total Cash Available	351,695	80,789	3,798,960
Less:			
2016-17 expenditures	-	-	(2,732,039)
Receivables/Payables	-	-	137,002
Outstanding Loans	-	-	-
Cash June 30, 2017	351,695	80,789	1,203,923
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	-	-	(41,679)
Cash Per Books	351,695	80,789	1,162,244
		Less: Agency Funds	(2,837)
			1,159,407
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	-	-	(109,453)
Fund Balance, Modified Accrual Basis	\$ 351,695	80,789	1,052,791

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

NEW MEXICO CONNECTIONS ACADEMY

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 424,445
Receivables	
Due from Other Governments	254,686
Total Current Assets	<u>679,131</u>

Total Assets	<u>679,131</u>
---------------------	----------------

Deferred Outflows - Pension Related	<u>2,791,944</u>
--	------------------

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	12,913
Accrued Liabilities	287,566
Total Current Liabilities	<u>300,479</u>

Noncurrent Liabilities:

Net Pension Liability	4,930,996
Total Noncurrent Liabilities	<u>4,930,996</u>
Total Liabilities	<u>5,231,475</u>

Deferred Inflows - Pension Related	<u>46,900</u>
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NET POSITION (DEFICIT)

Restricted	20,855
Unrestricted (Deficit)	(1,828,155)
Total Net Position (Deficit)	<u>\$ (1,807,300)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 8,977,518	-	624,248	-	(8,353,270)
Support Services:					
Students	601,009	-	-	-	(601,009)
Instruction	44,214	-	-	-	(44,214)
General Administration	18,475	-	-	-	(18,475)
School Administration	596,418	-	-	-	(596,418)
Central Services	71,353	-	-	-	(71,353)
Operation & Maintenance of Plant	201,922	-	-	-	(201,922)
Other Support Services	-	-	-	-	-
Food Services	-	-	-	-	-
Facilities Materials, Supplies & Other Services	-	-	-	-	-
Total Governmental Activities	\$ 10,510,909	-	624,248	-	(9,886,661)
General Revenues:					
State Equalization Guarantee					\$ 8,657,394
Total General Revenues					<u>8,657,394</u>
Change in Net Position					(1,229,267)
Net Position (Deficit), Beginning of Year					(721,802)
Restatement (Note 4)					143,769
Net Position (Deficit), as Restated					<u>(578,033)</u>
Net Position (Deficit), Ending					<u>\$ (1,807,300)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Title I IASA 24101
ASSETS			
Cash and Cash Equivalents	\$ 403,590	20,855	-
Accounts Receivable			
Due from Government	-	-	151,560
Due from Other Funds	254,686	-	-
Total Assets	\$ 658,276	20,855	151,560
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 12,913	-	-
Accrued Expenditures	287,566	-	-
Due to Other Funds	-	-	151,560
Total Liabilities	300,479	-	151,560
Fund Balances			
Fund Balance:			
Restricted for:			
Instruction	-	20,855	-
Food Service Operations	-	-	-
Assigned to:			
Subsequent Years Expenditures and Other Programs	357,797	-	-
Unassigned	-	-	-
Total Fund Balance	357,797	20,855	-
Total Liabilities and Fund Balances	\$ 658,276	20,855	151,560

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Total
-	-	424,445
102,154	972	254,686
-	-	254,686
<u>102,154</u>	<u>972</u>	<u>933,817</u>
-	-	12,913
-	-	287,566
<u>102,154</u>	<u>972</u>	<u>254,686</u>
<u>102,154</u>	<u>972</u>	<u>555,165</u>
-	-	20,855
-	-	-
-	-	357,797
-	-	-
<u>-</u>	<u>-</u>	<u>378,652</u>
<u>102,154</u>	<u>972</u>	<u>933,817</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds	\$ 378,652
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds	2,791,944
The net pension liability is not due and payable in the current period and, therefore, is nt reported in the funds	(4,930,996)
Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(46,900)</u>
Net Position (Deficit)-Total Governmental Activities	<u><u>\$ (1,807,300)</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Title I IASA 24101
REVENUES			
Local & County Grant	\$ 2,657	-	-
State Grant	8,657,394	84,233	-
Federal Grant	-	-	317,073
Total Revenues	8,660,051	84,233	317,073
EXPENDITURES			
Current:			
Instruction	7,496,539	63,378	291,680
Support Services:			
Students	437,820	-	25,393
Instruction	44,214	-	-
General Administration	18,475	-	-
School Administration	455,294	-	-
Central Services	71,353	-	-
Operation & Maintenance of Plant	201,922	-	-
Total Expenditures	8,725,617	63,378	317,073
Net Changes in Fund Balances	(65,566)	20,855	-
Fund Balances - Beginning of Year	279,594	-	-
Restatement (Note 4)	143,769	-	-
Fund Balances - As Restated	423,363	-	-
Fund Balances (Deficit) - End of Year	\$ 357,797	20,855	-

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Total
-	-	2,657
-	-	8,741,627
192,331	27,954	537,358
192,331	27,954	9,281,642
120,334	17,988	7,989,919
71,997	-	535,210
-	-	44,214
-	-	18,475
-	9,966	465,260
-	-	71,353
-	-	201,922
192,331	27,954	9,326,353
-	-	(44,711)
-	-	279,594
-	-	143,769
-	-	423,363
-	-	378,652

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (44,711)**

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

Changes in deferred outflows resources-pension related, deferred
inflows of resources-pension related and the net pension liability (1,184,556)

Change in Net Position-Total Governmental Activities **\$ (1,229,267)**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 13
Total Assets	<u>\$ 13</u>
LIABILITIES	
Deposits Held for Others	\$ 13
Total Liabilities	<u>\$ 13</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 554	41	582	13
Total Assets	<u>\$ 554</u>	<u>41</u>	<u>582</u>	<u>13</u>
LIABILITIES				
Deposits Held for Others	\$ 554	41	582	13
Total Liabilities	<u>\$ 554</u>	<u>41</u>	<u>582</u>	<u>13</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The New Mexico Connections Academy’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The New Mexico Connections Academy does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The New Mexico Connections Academy utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for the New Mexico Connections Academy are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

NOTE 2. COMMITMENTS AND LIABILITIES

The New Mexico Connections Academy leased equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$61,892. The New Mexico Connections Academy’s minimum future payments on these leases are as follows:

Year Ending June 30:	
2018	<u>\$ 63,439</u>
Total	<u><u>\$ 63,439</u></u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Notes to the Financial Statements
June 30, 2017**

NOTE 3. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to New Mexico Connections Academy and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions – For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, New Mexico Connections Academy paid employee and employer contributions of \$374,202 and \$261,195, which equal the amount of the required contributions for each fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, New Mexico Connections Academy reported a liability of \$4,930,996 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

New Mexico Connections Academy's proportion of the net pension liability was based on a projection of New Mexico Connections Academy's long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2016 New Mexico Connections Academy's proportion was 0.06852%, which was an increase of .02187% from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Notes to the Financial Statements
June 30, 2017**

NOTE 3. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

For the year ended June 30, 2017, New Mexico Connections Academy’s recognized pension expense is \$1,570,623. At June 30, 2017, New Mexico Connections Academy reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 21,392	(46,900)
Changes in assumptions	100,375	-
Net difference between projected and actual earnings on pension plan investments	294,339	-
Changes in proportion and differences between New Mexico Connections Academy’s contributions and proportionate share of contributions	2,001,636	-
New Mexico Connections Academy’s contributions subsequent to the measurement date	<u>374,202</u>	<u>-</u>
Total	\$ <u>2,791,944</u>	<u>(46,900)</u>

The amount of \$374,202 reported as deferred outflows of resources related to pensions resulting from New Mexico Connections Academy’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 1,141,634
2019	732,021
2020	425,409
2021	<u>71,778</u>
Total	\$ <u>2,370,842</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Notes to the Financial Statements
June 30, 2017**

NOTE 3. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of New Mexico Connections Academy’s proportionate share of the net pension liability to changes in the discount rate. The following presents New Mexico Connections Academy’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the New Mexico Connections Academy’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
New Mexico Connections Academy’s proportionate share of the net pension liability	\$ <u>6,530,990</u>	<u>4,930,996</u>	3,603,453

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. The New Mexico Connections Academy did not accrue any payable for the pension plan at June 30, 2017. All 10-month teach contracts for the school year are paid by fiscal year end.

NOTE 4. RESTATEMENT OF PREVIOUSLY REPORTED AMOUNTS

Subsequent to the issuance of the New Mexico Connections Academy’s 2016 financial statements, management became aware that the 2016 financial statements reported incorrect liabilities and net assets. The inclusion of corrections in the restated financial statements decreased liabilities and increased net position by \$143,769.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.07%	0.05%	0.03%
School's Proportionate Share of Net Pension Liability (Asset)	\$	4,931	3,022	1,606
School's Covered-Employee Payroll	\$	2,692	1,274	776
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		183.17%	237.26%	206.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for New Mexico Connections Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Statutory required contributions	\$ 102	210	374
Contributions in Relation to the Contractually Required Contribution	102	184	374
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for New Mexico Connections Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Local & County Grant	\$ -	-	2,657	2,657
State Grant	9,261,364	8,657,373	8,657,394	21
Charges for Services	-	-	-	-
Total Revenues	9,261,364	8,657,373	8,660,051	2,678
EXPENDITURES				
Current:				
Instruction	8,398,127	8,531,510	8,348,460	183,050
Support Services:				
Students	331,599	450,680	444,744	5,936
Instruction	101,000	48,829	45,837	2,992
General Administration	26,500	18,999	18,475	524
School Administration	519,647	473,445	455,083	18,362
Central Services	87,075	76,743	71,353	5,390
Operation & Maintenance of Plant	204,217	205,939	202,651	3,288
Other Support Services Operations	-	-	-	-
Total Expenditures	9,668,165	9,806,145	9,586,603	219,542
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(406,801)	(1,148,772)	(926,552)	222,220
Other Financing Sources (Uses):				
Designated Cash	406,801	1,148,772	-	(1,148,772)
Total Other Financing Sources (Uses):	406,801	1,148,772	-	(1,148,772)
Net Changes in Fund Balances	-	-	(926,552)	(926,552)
Cash or Fund Balances - Beginning of Year	-	-	279,594	279,594
Cash or Fund Balances - End of Year	\$ -	-	(646,958)	(646,958)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (926,552)	
Adjustments to Expenditures			860,986	
NET CHANGE IN FUND BALANCE			\$ (65,566)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 61,008	72,521	84,233	11,712
Total Revenues	<u>61,008</u>	<u>72,521</u>	<u>84,233</u>	<u>11,712</u>
EXPENDITURES				
Current:				
Instruction	61,008	72,521	63,378	9,143
Total Expenditures	<u>61,008</u>	<u>72,521</u>	<u>63,378</u>	<u>9,143</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	20,855	20,855
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>20,855</u>	<u>20,855</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>20,855</u>	<u>20,855</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 20,855	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 20,855</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Federal Grant	\$ 184,667	317,073	185,563	(131,510)
Total Revenues	<u>184,667</u>	<u>317,073</u>	<u>185,563</u>	<u>(131,510)</u>
EXPENDITURES				
Current:				
Instruction	159,274	291,680	291,680	-
Support Services:				
Students	25,393	25,393	25,393	-
Total Expenditures	<u>184,667</u>	<u>317,073</u>	<u>317,073</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(131,510)</u>	<u>(131,510)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(131,510)</u>	<u>(131,510)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(131,510)</u>	<u>(131,510)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (131,510)	
Adjustments to Revenues			<u>131,150</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Federal Grant	\$ -	204,176	138,969	(65,207)
Total Revenues	<u>-</u>	<u>204,176</u>	<u>138,969</u>	<u>(65,207)</u>
EXPENDITURES				
Current:				
Instruction	-	132,175	120,334	11,841
Support Services:				
Students	<u>-</u>	<u>72,001</u>	<u>71,997</u>	<u>4</u>
Total Expenditures	<u>-</u>	<u>204,176</u>	<u>192,331</u>	<u>11,845</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(53,362)</u>	<u>(53,362)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(53,362)</u>	<u>(53,362)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(53,362)</u>	<u>(53,362)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (53,362)	
Adjustments to Revenues			(53,362)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico Connections Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Federal Grant	\$ 27,986	70,793	39,094	(31,699)
Total Revenues	<u>27,986</u>	<u>70,793</u>	<u>39,094</u>	<u>(31,699)</u>
EXPENDITURES				
Current:				
Instruction	16,000	38,807	17,988	20,819
Support Services:				
School Administration	<u>11,986</u>	<u>31,986</u>	<u>9,966</u>	<u>22,020</u>
Total expenditures	<u>27,986</u>	<u>70,793</u>	<u>27,954</u>	<u>42,839</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>11,140</u>	<u>11,140</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>11,140</u>	<u>11,140</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>11,140</u>	<u>11,140</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 11,140	
Adjustments to Revenues			<u>(11,140)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value/Par June 30, 2017</u>
Bank of New York Mellon	FNMA FNMS 3.000%	3138AVEK7	11/1/2026	\$ 338,831
Bank of New York Mellon	FNMA FNMS 2.500%	3138WHR20	8/1/2031	54,657
				<u>\$ 393,488</u>

Total Cash per Schedule of Cash Accounts:	\$ 447,671
Less: FDIC coverage:	(250,000)
Uninsured Public Funds:	197,671
Collateral Requirement:	98,836
Pledged Collateral Held by Pledging Financial Institution:	<u>393,488</u>
Balance Over Collateralized:	<u>\$ 294,652</u>
Balance Uninsured and Uncollateralized at June 30, 2016:	<u>\$ -</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>New Mexico Bank and Trust</u>
Checking - Operational Account	<u>\$ 447,671</u>
<i>Total on Deposit</i>	447,671
Reconciling Items	<u>(23,213)</u>
Reconciled Balance June 30, 2016	<u>424,458</u>
Plus Petty Cash	-
Less Agency Funds	<u>(13)</u>
<i>Total Cash</i>	<u><u>\$ 424,445</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NEW MEXICO CONNECTIONS ACADEMY
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Non-Instruct. Fund 23000	Federal Projects Account 24000	Total
Cash, June 30, 2016	\$ 1,385,846	-	554	-	1,386,400
Add:					
2016-17 revenues	8,660,051	84,233	41	363,627	9,107,952
Total Cash Available	10,045,897	84,233	595	363,627	10,494,352
Less:					
2016-17 expenditures	(9,586,601)	(63,378)	(582)	(537,360)	(10,187,921)
Receivables/Payables	287,566	-	-	-	287,566
Outstanding Loans	(254,687)	-	-	254,687	-
Cash June 30, 2016	492,175	20,855	13	80,954	593,997
Fund Balance Reconciliations to GAAP Basis:					
Audit reclassifications to cash	(88,585)	-	-	(80,954)	(169,539)
Cash Per Books	403,590	20,855	13	-	424,458
				Less: Agency Fund:	(13)
					<u>\$ 424,445</u>
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	(45,793)	-	(13)	-	(45,806)
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 357,797</u>	<u>20,855</u>	<u>-</u>	<u>-</u>	<u>\$ 378,652</u>

NEW MEXICO SCHOOL FOR THE ARTS

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,501,955
Receivables	
Due from Other Governments	58,433
Deposits	12,500
Prepaid Expenses	15,458
Total Current Assets	<u>1,588,346</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	153,311
Less: Accumulated Depreciation	<u>(128,708)</u>
Total Noncurrent Assets	<u>24,603</u>

Total Assets	<u>1,612,949</u>
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Deferred Outflows - Pension Related	<u>712,195</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accrued Liabilities	<u>149,231</u>
Total Current Liabilities	<u>149,231</u>

Noncurrent Liabilities:

Net Pension Liability	<u>3,211,048</u>
Total Noncurrent Liabilities	3,211,048

Total Liabilities	<u>3,360,279</u>
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Deferred Inflows - Pension related	<u>142,052</u>
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NET POSITION (DEFICIT)

Investment in Capital Assets	24,603
Restricted	1,159,354
Unrestricted (Deficit)	<u>(2,361,144)</u>
Total Net Position (Deficit)	<u>\$ (1,177,187)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,380,522	12,368	469,123	-	(899,031)
Support Services:					
Students	355,039	-	-	-	(355,039)
Instruction	140,386	-	-	-	(140,386)
General Administration	61,675	-	-	-	(61,675)
School Administration	239,706	-	-	-	(239,706)
Central Services	129,632	-	-	-	(129,632)
Operation & Maintenance of Plant	194,276	-	-	-	(194,276)
Other Support Services	130	-	-	-	(130)
Student Transportation	3,542	-	-	-	(3,542)
Food Services Operations	42,116	4,231	6,060	-	(31,825)
Facilities Materials, Supplies & Other Services	233,927	-	-	314,491	80,564
Total Governmental Activities	\$ 2,780,951	16,599	475,183	314,491	(1,974,678)
General Revenues:					
Property Taxes					\$ 276,387
State Equalization Guarantee					1,964,105
Miscellaneous					9,161
Total General Revenues					<u>2,249,653</u>
Change in Net Position					274,975
Net Position (Deficit), Beginning					<u>(1,452,162)</u>
Net Position (Deficit), Ending					<u>\$ (1,177,187)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 344,217	4,743	9,688	-
Accounts Receivable				
Due from Other Governments	-	-	-	6,838
Due from Other Funds	45,724	-	-	-
Deposits	12,500	-	-	-
Prepaid Expenditures	15,458	-	-	-
Total Assets	\$ 417,899	4,743	9,688	6,838
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Expenditures	138,138	-	-	2,318
Due to Other Funds	-	-	-	2,850
Total Liabilities	138,138	-	-	5,168
Fund Balances				
Fund Balance:				
Nonspendable:				
Deposits	12,500	-	-	-
Prepaid Expenditures	15,458	-	-	-
Restricted for:				
Instruction	-	4,743	-	1,670
Food Service Operations	-	-	9,688	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	251,803	-	-	-
Total Fund Balance	279,761	4,743	9,688	1,670
Total Liabilities and Fund Balances	\$ 417,899	4,743	9,688	6,838

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Dual Credit 27103	Teacher Incentive Pay (Individual) 27188	Incentive Pay 27190	Private Dir Grants 29102
-	62	-	-	-	302,150
9,489	315	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,489</u>	<u>377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>302,150</u>
2,634	377	-	-	-	5,764
4,865	-	-	-	-	-
<u>7,499</u>	<u>377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,764</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,990	-	-	-	-	296,386
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,386</u>
<u>9,489</u>	<u>377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>302,150</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Balance Sheets - Governmental Funds - (Continued)
June 30, 2017

	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements (Local) 31701
Cash and Cash Equivalents	\$ -	222,076	-	471,853
Accounts Receivable				
Due from Other Governments	38,009	1,557	-	2,225
Due from Other Funds	-	-	-	-
Deposits	-	-	-	-
Prepaid Expenditures	-	-	-	-
Total Assets	\$ 38,009	223,633	-	474,078
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Expenditures	-	-	-	-
Due to Other Funds	38,009	-	-	-
Total Liabilities	38,009	-	-	-
Fund Balances				
Fund Balance:				
Nonspendable:				
Deposits	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	-	-	-	-
Food Service Operations	-	-	-	-
Capital Improvements	-	223,633	-	474,078
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	-
Total Fund Balance	-	223,633	-	474,078
Total Liabilities and Fund Balances	\$ 38,009	223,633	-	474,078

The accompanying notes are an integral part of these financial statements

Educational Technology Equipment 31900	Total
147,166	1,501,955
-	58,433
-	45,724
-	12,500
-	15,458
<u>147,166</u>	<u>1,634,070</u>
-	149,231
-	45,724
<u>-</u>	<u>194,955</u>
-	12,500
-	15,458
-	304,789
-	9,688
147,166	844,877
<u>-</u>	<u>251,803</u>
<u>147,166</u>	<u>1,439,115</u>
<u>147,166</u>	<u>1,634,070</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 1,439,115**

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

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

Capital Assets	153,311	
Accumulated Depreciation	<u>(128,708)</u>	
		24,603

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		712,195
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(142,052)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(3,211,048)</u>
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Net Position (Deficit)-Total Governmental Activities **\$ (1,177,187)**

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	1,964,105	14,826	-	-
Federal Grant	12,352	-	6,060	23,755
Charges for Services	12,368	-	4,231	-
Miscellaneous Income	1,693	-	-	-
Total Revenues	1,990,518	14,826	10,291	23,755
EXPENDITURES				
Current:				
Instruction	1,000,134	17,251	-	22,085
Support Services:				
Students	307,684	-	-	-
Instruction	95,568	-	-	-
General Administration	27,028	-	-	-
School Administration	233,207	-	-	-
Central Services	128,305	-	-	-
Operation & Maintenance of Plant	188,620	-	-	-
Student Transportation	3,542	-	-	-
Other Support Services Operations	130	-	-	-
Food Services Operations	31,687	-	6,932	-
Capital Outlay	-	-	-	-
Total Expenditures	2,015,905	17,251	6,932	22,085
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(25,387)</u>	<u>(2,425)</u>	<u>3,359</u>	<u>1,670</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(25,387)</u>	<u>(2,425)</u>	<u>3,359</u>	<u>1,670</u>
Fund Balances - Beginning of Year	<u>305,148</u>	<u>7,168</u>	<u>6,329</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 279,761</u>	<u>4,743</u>	<u>9,688</u>	<u>1,670</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Dual Credit 27103	Teacher Incentive Pay 27188	Teacher Incentive Pay (Group) 27190	Private Dir Grants 29102
-	-	-	-	-	-
-	-	-	-	-	288,500
-	-	1,119	64,020	31,022	-
28,310	5,219	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	7,468
<u>28,310</u>	<u>5,219</u>	<u>1,119</u>	<u>64,020</u>	<u>31,022</u>	<u>295,968</u>
23,320	5,219	1,119	64,020	24,255	51,739
3,000	-	-	-	2,001	-
-	-	-	-	2,711	25,428
-	-	-	-	-	-
-	-	-	-	2,055	4,444
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>26,320</u>	<u>5,219</u>	<u>1,119</u>	<u>64,020</u>	<u>31,022</u>	<u>81,611</u>
<u>1,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,357</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,357</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,029</u>
<u>1,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,386</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Statement of Revenues, Expenditures, and Changes In Fund Balances - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements (Local) 31701
REVENUES				
Property Taxes	\$ -	117,857	-	158,530
Local & County Grant	-	-	-	-
State Grant	152,036	-	9,520	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>152,036</u>	<u>117,857</u>	<u>9,520</u>	<u>158,530</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	1,178	-	1,583
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	152,036	-	9,520	37,897
Total Expenditures	<u>152,036</u>	<u>1,178</u>	<u>9,520</u>	<u>39,480</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>116,679</u>	<u>-</u>	<u>119,050</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	-	-	(355,028)	355,028
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(355,028)</u>	<u>355,028</u>
Net Changes in Fund Balances	<u>-</u>	<u>116,679</u>	<u>(355,028)</u>	<u>474,078</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>106,954</u>	<u>355,028</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>223,633</u>	<u>-</u>	<u>474,078</u>

The accompanying notes are an integral part of these financial statements

Educational Technology Equipment 31900	Total
-	276,387
152,935	441,435
-	2,236,648
-	75,696
-	16,599
-	9,161
<u>152,935</u>	<u>3,055,926</u>
-	1,209,142
-	312,685
-	123,707
-	29,789
-	239,706
-	128,305
-	188,620
-	3,542
-	130
-	38,619
24,975	224,428
<u>24,975</u>	<u>2,498,673</u>
<u>127,960</u>	<u>557,253</u>
-	-
-	-
<u>127,960</u>	<u>557,253</u>
<u>19,206</u>	<u>881,862</u>
<u>147,166</u>	<u>1,439,115</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 557,253**

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

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
capital outlay exceeds depreciation for the period

Depreciation Expense	(21,883)
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Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability	(260,395)
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Change in Net Position-Total Governmental Activities	\$ 274,975
---	-------------------

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017**

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 11,382</u>
Total Assets	<u><u>\$ 11,382</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 11,382</u>
Total Liabilities	<u><u>\$ 11,382</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 9,375	10,002	(7,995)	11,382
Total Assets	<u>\$ 9,375</u>	<u>10,002</u>	<u>(7,995)</u>	<u>11,382</u>
LIABILITIES				
Deposits Held for Others	\$ 9,375	10,002	(7,995)	11,382
Total Liabilities	<u>\$ 9,375</u>	<u>10,002</u>	<u>(7,995)</u>	<u>11,382</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. New Mexico School for the Art's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The New Mexico School for the Arts does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. New Mexico School for the Arts utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 5 – 7 years

Capital assets for New Mexico School for the Arts are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 153,311	-	-	153,311
<i>Total</i>	153,311	-	-	153,311
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(106,825)	(21,883)	-	(128,708)
<i>Total</i>	(106,825)	(21,883)	-	(128,708)
Capital Assets, Net	\$ 46,486	(21,883)	-	24,603

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$	9,164
Operations/Plant Maintenance		3,220
Facilities Materials, Supplies & Other Services		9,499
Total	\$	21,883

NOTE 3. COMMITMENTS AND LIABILITIES

New Mexico School for the Arts leased facilities under short-term cancelable operating leases. Rental expenses for the year ended June 30, 2017 was \$196,965. New Mexico School for the Arts minimum future payments on this lease are as follows:

Year Ending June 30:		
2018	\$	194,514
2019		10,764
2020		10,764
2021		7,176
Total	\$	223,218

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to New Mexico School for the Arts and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, New Mexico School for the Arts paid employee and employer contributions of \$177,230 and \$177,505.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, New Mexico School for the Arts reported a liability of \$3,211,048 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

New Mexico School for the Arts 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, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, New Mexico School for the Arts proportion was 0.04462%, which was a decrease of 0.00237% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, New Mexico School for the Arts recognized pension expense of \$438,309. At June 30, 2017, New Mexico School for the Arts reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,930	(30,541)
Changes in assumptions	65,364	-
Net difference between projected and actual earnings on pension plan investments	191,673	-
Changes in proportion and differences between the New Mexico School for the Arts contributions and proportionate share of contributions	263,998	(111,511)
New Mexico School for the Arts contributions subsequent to the measurement date	<u>177,230</u>	<u>-</u>
Total	<u>\$ 712,195</u>	<u>(142,052)</u>

The amount of \$177,230 reported as deferred outflows of resources related to pensions resulting from New Mexico School for the Arts contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2018	\$ 183,307
2019	103,107
2020	59,757
2021	46,742
Total	<u>\$ 392,913</u>

Sensitivity of New Mexico School for the Arts proportionate share of the net pension liability to changes in the discount rate. The following presents the New Mexico School for the Arts proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the New Mexico School for the Arts 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:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
New Mexico School for the Arts proportionate share of the net pension liability	<u>\$ 4,252,959</u>	<u>3,211,048</u>	<u>2,346,557</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, New Mexico School for the Arts owed \$43,589 to ERB for fiscal year 2017 contributions.

NOTE 5. RELATED PARTY TRANSACTION

The business manager services were performed by AptAbility during the year ended June 30, 2017, which performed services for multiple state charter schools.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	30-Jun			
	Fiscal Year	2017	2016	2015
	Measurement Date	2016	2015	2014
New Mexico School for the Arts Proportion of the Net Pension Liability (Asset)		0.04462%	0.04699%	0.04111%
New Mexico School for the Arts Proportionate Share of Net Pension Liability (Asset)	\$	3,211	3,044	2,346
New Mexico School for the Arts Covered-Employee Payroll	\$	1,223	1,283	1,133
New Mexico School for the Arts Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	237.23%	207.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for New Mexico School for the Arts is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ 149	186	177
Contributions in Relation to the Contractually Required Contribution	149	186	177
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for New Mexico School for the Arts is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 2,065,566	1,964,104	1,964,105	1
Federal Grant	-	-	12,352	12,352
Miscellaneous income	-	-	1,551	1,551
Charges for Services	-	-	12,668	12,668
Total Revenues	<u>2,065,566</u>	<u>1,964,104</u>	<u>1,990,676</u>	<u>26,572</u>
EXPENDITURES				
Current:				
Instruction	1,299,210	1,140,885	1,000,134	140,751
Support Services:				
Students	121,505	323,336	307,684	15,652
Instruction	45,978	100,619	95,568	5,051
General Administration	27,712	32,518	27,028	5,490
School Administration	407,313	241,750	232,231	9,519
Central Services	149,821	140,001	128,305	11,696
Operation & Maintenance of Plant	191,812	207,927	190,470	17,457
Student Transportation	4,000	4,000	3,542	458
Other Support Services Operations	-	131	130	1
Food Services Operations	31,831	50,702	31,687	19,015
Total Expenditures	<u>2,279,182</u>	<u>2,241,869</u>	<u>2,016,779</u>	<u>225,090</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(213,616)</u>	<u>(277,765)</u>	<u>(26,103)</u>	<u>251,662</u>
OTHER FINANCING SOURCES (USES):				
Designated Cash	<u>213,616</u>	<u>277,765</u>	<u>-</u>	<u>(277,765)</u>
Total Other Financing Sources (Uses):	<u>213,616</u>	<u>277,765</u>	<u>-</u>	<u>(277,765)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(26,103)</u>	<u>(26,103)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>305,148</u>	<u>305,148</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>279,045</u>	<u>279,045</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			\$ (158)	
Adjustments to Expenditures			874	
NET CHANGE IN FUND BALANCE			<u>\$ (25,387)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 11,651	10,306	14,826	4,520
Total Revenues	<u>11,651</u>	<u>10,306</u>	<u>14,826</u>	<u>4,520</u>
EXPENDITURES				
Current:				
Instruction	17,651	16,487	16,264	223
Total Expenditures	<u>17,651</u>	<u>16,487</u>	<u>16,264</u>	<u>223</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(6,000)</u>	<u>(6,181)</u>	<u>(1,438)</u>	<u>4,743</u>
OTHER FINANCING SOURCES (USES):				
Designated Cash	6,000	6,181	-	(6,181)
Total Other Financing Sources (Uses):	<u>6,000</u>	<u>6,181</u>	<u>-</u>	<u>(6,181)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,438)</u>	<u>(1,438)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>7,168</u>	<u>7,168</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>5,730</u>	<u>5,730</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (1,438)	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>(987)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (2,425)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 16,000	16,000	6,060	(9,940)
Charges for Services	4,000	4,000	4,875	875
Total Revenues	20,000	20,000	10,935	(9,065)
EXPENDITURES				
Current:				
Food Services Operations	23,500	25,685	6,932	18,753
Total Expenditures	23,500	25,685	6,932	18,753
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(3,500)</i>	<i>(5,685)</i>	<i>4,003</i>	<i>9,688</i>
OTHER FINANCING SOURCES (USES):				
Designated Cash	3,500	5,685	-	(5,685)
Total Other Financing Sources (Uses):	3,500	5,685	-	(5,685)
Net Changes in Fund Balances	-	-	4,003	4,003
Cash or Fund Balances - Beginning of Year	-	-	6,329	6,329
Cash or Fund Balances - End of Year	\$ -	-	10,332	10,332
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 4,003	
Adjustments to Revenues			(644)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 3,359	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 16,279	30,462	26,238	(4,224)
Total Revenues	<u>16,279</u>	<u>30,462</u>	<u>26,238</u>	<u>(4,224)</u>
EXPENDITURES				
Current:				
Instruction	16,279	30,462	22,085	8,377
Total Expenditures	<u>16,279</u>	<u>30,462</u>	<u>22,085</u>	<u>8,377</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	4,153	4,153
Net Changes in Fund Balances	-	-	4,153	4,153
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,153</u>	<u>4,153</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 4,153	
Adjustments to Revenues			(2,483)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,670</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 25,822	38,744	35,470	(3,274)
Total Revenues	25,822	38,744	35,470	(3,274)
EXPENDITURES				
Current:				
Instruction	22,822	35,744	23,320	12,424
Support Services:				
Students	3,000	3,000	3,000	-
Total Expenditures	25,822	38,744	26,320	12,424
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	9,150	9,150
Net Changes in Fund Balances	-	-	9,150	9,150
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	9,150	9,150
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 9,150	
Adjustments to Revenues			(7,160)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 1,990	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 6,460	5,219	13,470	8,251
Total Revenues	<u>6,460</u>	<u>5,219</u>	<u>13,470</u>	<u>8,251</u>
EXPENDITURES				
Current:				
Instruction	6,460	5,219	5,219	-
Total expenditures	<u>6,460</u>	<u>5,219</u>	<u>5,219</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	8,251	8,251
Net changes in Fund Balances	-	-	8,251	8,251
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>8,251</u>	<u>8,251</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 8,251	
Adjustments to Revenues			(8,251)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit 27103
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	1,119	1,119	-
Total Revenues	<u>-</u>	<u>1,119</u>	<u>1,119</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	1,119	1,119	-
Total Expenditures	<u>-</u>	<u>1,119</u>	<u>1,119</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Incentive Pay 27188
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	64,143	64,020	(123)
Total Revenues	-	64,143	64,020	(123)
EXPENDITURES				
Current:				
Instruction	-	64,143	64,020	123
Total Expenditures	-	64,143	64,020	123
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	(246)
Net Changes in Fund Balances	-	-	-	(246)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	(246)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Incentive Pay (Group) 27190
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	31,132	31,022	(110)
Total Revenues	-	31,132	31,022	(110)
EXPENDITURES				
Current:				
Instruction	-	24,270	24,255	15
Support Services:				
Students	-	2,052	2,001	51
Instruction	-	2,740	2,711	29
School Administration	-	2,070	2,055	15
Total Expenditures	-	31,132	31,022	110
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	(220)
Net Changes in Fund Balances	-	-	-	(220)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	(220)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Private Dir Grants 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	214,829	289,830	(75,001)
Miscellaneous income	-	4,468	7,468	3,000
Total Revenues	-	219,297	297,298	(72,001)
EXPENDITURES				
Current:				
Instruction	53,769	58,783	51,739	7,044
Support Services:				
Instruction	25,083	26,746	25,428	1,318
School Administration	-	4,468	4,444	24
Capital Outlay	-	210,000	-	210,000
Total Expenditures	78,852	299,997	81,611	218,386
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(78,852)</i>	<i>(80,700)</i>	<i>215,687</i>	<i>146,385</i>
OTHER FINANCING SOURCES (USES):				
Designated Cash	78,852	80,700	-	(80,700)
Total other financing sources (uses):	78,852	80,700	-	(80,700)
Net Changes in Fund Balances	-	-	215,687	65,685
Cash or Fund Balances - Beginning of Year	-	-	82,029	82,029
Cash or Fund Balances - End of Year	\$ -	-	297,716	147,714
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 215,687	
Adjustments to Revenues			(1,330)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 214,357	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	152,036	150,044	(1,992)
Total Revenues	<u>-</u>	<u>152,036</u>	<u>150,044</u>	<u>(1,992)</u>
EXPENDITURES				
Capital Outlay	-	152,036	152,036	-
Total Expenditures	<u>-</u>	<u>152,036</u>	<u>152,036</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(1,992)	(1,992)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,992)</u>	<u>(1,992)</u>
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,992)</u>	<u>(1,992)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (1,992)	
Adjustments to Revenues			1,992	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 118,699	118,699	117,765	(934)
Total Revenues	118,699	118,699	117,765	(934)
EXPENDITURES				
Current:				
Support Services:				
General Administration	1,187	1,187	1,178	9
Capital Outlay	227,512	223,001	-	223,001
Total Expenditures	228,699	224,188	1,178	223,010
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(110,000)</i>	<i>(105,489)</i>	<i>116,587</i>	<i>222,076</i>
Other Financing Sources (Uses):				
Designated Cash	110,000	105,489	-	(105,489)
Total Other Financing Sources (Uses):	110,000	105,489	-	(105,489)
Net Changes in Fund Balances	-	-	116,587	116,587
Cash or Fund Balances - Beginning of Year	-	-	106,954	106,954
Cash or Fund Balances - End of Year	\$ -	-	223,541	223,541
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 116,587	
Adjustments to Revenues			92	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 116,679	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 9,520	9,520	9,520	-
State Grant	-	5,274	-	(5,274)
Total Revenues	<u>9,520</u>	<u>14,794</u>	<u>9,520</u>	<u>(5,274)</u>
EXPENDITURES				
Capital Outlay	9,520	14,794	9,520	5,274
Total Expenditures	<u>9,520</u>	<u>14,794</u>	<u>9,520</u>	<u>5,274</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	(355,028)	(355,028)
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>(355,028)</u>	<u>(355,028)</u>
Net Changes in Fund Balances	-	-	(355,028)	-
Cash or Fund Balances - Beginning of Year	-	-	355,028	355,028
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>355,028</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ (355,028)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (355,028)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements (Local) 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	158,265	158,265	158,494	229
Total Revenues	<u>158,265</u>	<u>158,265</u>	<u>158,494</u>	<u>229</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	1,583	1,583	1,583	-
Capital Outlay	506,609	509,921	37,897	472,024
Total Expenditures	<u>508,192</u>	<u>511,504</u>	<u>39,480</u>	<u>472,024</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(349,927)</u>	<u>(353,239)</u>	<u>119,014</u>	<u>472,253</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers (In)	355,028	355,028	355,028	-
Total Other Financing Sources (Uses):	<u>355,028</u>	<u>355,028</u>	<u>355,028</u>	<u>-</u>
Net Changes in Fund Balances	<u>5,101</u>	<u>1,789</u>	<u>474,042</u>	<u>472,253</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 5,101</u>	<u>1,789</u>	<u>474,042</u>	<u>472,253</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ 474,042	
Adjustments to Revenues			36	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 474,078</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Educational Technology Equipment 31900
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	119,868	152,935	33,067
Total Revenues	<u>-</u>	<u>119,868</u>	<u>152,935</u>	<u>33,067</u>
EXPENDITURES				
Capital Outlay	19,205	139,073	24,975	114,098
Total Expenditures	<u>19,205</u>	<u>139,073</u>	<u>24,975</u>	<u>114,098</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(19,205)</u>	<u>(19,205)</u>	<u>127,960</u>	<u>147,165</u>
Other Financing Sources (Uses):				
Designated Cash	19,205	19,205	-	(19,205)
Total Other Financing Sources (Uses):	<u>19,205</u>	<u>19,205</u>	<u>-</u>	<u>(19,205)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>127,960</u>	<u>127,960</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>19,206</u>	<u>19,206</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>147,166</u>	<u>147,166</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 127,960	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 127,960</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Wells Fargo	FNMA FNMS	3138WHM33	7/1/2036	\$ 29,724
Wells Fargo	FNMA FNMS	3138WRP20	3/1/2043	706,562
				<u>\$ 736,286</u>

Total Cash per Schedule of Cash Accounts:	\$ 1,514,342
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	1,264,342
Collateral Requirement:	632,171
Pledged Collateral Held by Pledging Financial Institution:	<u>736,286</u>
Balance Over Collateralized:	<u>\$ 104,115</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	<u>\$ 528,056</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 1,514,342
<i>Total on Deposit</i>	1,514,342
Reconciling Items	<u>(1,005)</u>
Reconciled Balance June 30, 2017	<u>1,513,337</u>
Less: Agency Funds	<u>(11,382)</u>
<i>Total Cash</i>	<u><u>\$ 1,501,955</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000
Cash, June 30, 2016	\$ 282,730	6,181	5,685	9,375
Add:				
2016-17 revenues	<u>1,990,676</u>	<u>14,826</u>	<u>10,935</u>	<u>10,002</u>
Total Cash Available	2,273,406	21,007	16,620	19,377
Less:				
2016-17 expenditures	(2,016,779)	(16,264)	(6,932)	(7,995)
Receivables/Payables	138,138	-	-	-
Transfers In (Out)	-	-	-	-
Outstanding Loans	<u>(45,724)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>349,041</u>	<u>4,743</u>	<u>9,688</u>	<u>11,382</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(4,824)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Per Books	<u>344,217</u>	<u>4,743</u>	<u>9,688</u>	<u>11,382</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(64,456)	-	-	(11,382)
Fund Balance, Modified Accrual Basis	<u>\$ 279,761</u>	<u>4,743</u>	<u>9,688</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	State Account 27000	Local and State 29000	Public School Capital Outlay 31200	Special Capital Outlay 31400	HB-33 Capital Improvements 31600
-	-	90,623	-	-	105,489
75,178	96,161	297,298	150,044	61,711	117,765
75,178	96,161	387,921	150,044	61,711	223,254
(53,624)	(96,161)	(81,611)	(152,036)	-	(1,178)
5,329	-	5,764	-	-	-
-	-	-	-	-	-
7,715	-	-	38,009	-	-
34,598	-	312,074	36,017	61,711	222,076
(34,536)	-	(9,924)	(36,017)	(61,711)	-
62	-	302,150	-	-	222,076
3,598	-	(5,764)	-	-	1,557
3,660	-	296,386	-	-	223,633

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Cash Reconciliation
June 30, 2017**

	SB-9 Capital Improvements 31700	SB-9 Capital Improvements (Local) 31701	Educational Technology Equipment 31900	Total
Cash, June 30, 2016	\$ 352,839	-	19,206	872,128
Add:				
2016-17 revenues	9,520	158,494	152,935	3,145,545
Total Cash Available	362,359	158,494	172,141	4,017,673
Less:				
2016-17 expenditures	(9,520)	(39,480)	(24,975)	(2,506,555)
Receivables/Payables	-	-	-	149,231
Transfers In (Out)	(355,028)	355,028	-	-
Outstanding Loans	-	-	-	-
Cash June 30, 2017	(2,189)	474,042	147,166	1,660,349
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	2,189	(2,189)	-	(147,012)
Cash Per Books	-	471,853	147,166	1,513,337
			Less-Agency Fund:	(11,382)
				<u>\$ 1,501,955</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	-	2,225	-	(74,222)
Fund Balance, Modified Accrual Basis	\$ -	474,078	147,166	1,439,115
			Balance Sheets - Governmental Funds:	<u>\$ 1,439,115</u>

The accompanying notes are an integral part of these financial statements

NORTH VALLEY ACADEMY

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$	360,669
Receivables		
Due from Other Governments		308,581
Total Current Assets		<u>669,250</u>

Noncurrent Assets:

Capital Assets		
Furniture, Fixtures, and Equipment		15,482
Building and Improvements		100,662
Less: Accumulated Depreciation		<u>(102,467)</u>
Total Noncurrent Assets		<u>13,677</u>
Total Assets		<u>682,927</u>

Deferred Outflows - Pension Related		<u>922,885</u>
--	--	----------------

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable		9,828
Accrued Liabilities		<u>216,007</u>
Total Current Liabilities		<u>225,835</u>

Noncurrent Liabilities:

Net Pension Liability		<u>4,686,318</u>
Total Noncurrent Liabilities		<u>4,686,318</u>
Total Liabilities		<u>4,912,153</u>

Deferred Inflows - Pension Related		<u>92,837</u>
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NET POSITION (DEFICIT)

Investment in Capital Assets		13,677
Restricted		314,235
Unrestricted (Deficit)		<u>(3,727,090)</u>
Total Net Position (Deficit)	\$	<u><u>(3,399,178)</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 2,965,457	699	835,748	-	(2,129,010)
Support Services:					
Students	279,506	-	-	-	(279,506)
Instruction	11,002	-	-	-	(11,002)
General Administration	24,171	-	-	-	(24,171)
School Administration	208,244	-	-	-	(208,244)
Central Services	265,983	-	-	-	(265,983)
Operation & Maintenance of Plant	398,224	-	-	-	(398,224)
Food Services	202,477	40,501	138,090	-	(23,886)
Facilities Materials, Supplies & Other Services	351,484	-	-	354,060	2,576
Total Governmental Activities	\$ 4,706,548	41,200	973,838	354,060	(3,337,450)
General Revenues:					
Property Taxes					275,884
State Equalization Guarantee					2,755,494
Miscellaneous					2,292
Total General Revenues					3,033,670
Change in Net Position					(303,780)
Net Position (Deficit), Beginning of Year					(3,095,398)
Net Position (Deficit), Ending					<u>\$ (3,399,178)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
ASSETS			
Cash and Cash Equivalents	\$ 49,852	18,965	19,945
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	282,951	-	-
Total Assets	\$ 332,803	18,965	19,945
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 9,452	-	376
Accrued Expenditures	194,171	-	-
Due to Other Funds	-	-	-
Total Liabilities	203,623	-	376
Fund Balances			
Fund Balance:			
Restricted for:			
Instruction	-	18,965	-
Food Service Operations	-	-	19,569
Capital Improvements	-	-	-
Assigned to:			
Subsequent Years Expenditures and Other Programs	129,180	-	-
Total Fund Balance	129,180	18,965	19,569
Total Liabilities and Fund Balances	\$ 332,803	18,965	19,945

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	2012 SB-66 Student Library 27107	Pre-K Initiative 27149
-	-	-	-	-
62,606	53,081	13,154	1,049	58,369
-	-	-	-	-
<u>62,606</u>	<u>53,081</u>	<u>13,154</u>	<u>1,049</u>	<u>58,369</u>
-	-	-	-	-
6,989	-	1,870	-	12,977
55,617	53,081	11,284	1,049	45,392
<u>62,606</u>	<u>53,081</u>	<u>13,154</u>	<u>1,049</u>	<u>58,369</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>62,606</u>	<u>53,081</u>	<u>13,154</u>	<u>1,049</u>	<u>58,369</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Kindergarten Three Plus 27166	Teacher and School Leader Incentive Pay 27188	Group Pay for Performance 27190
ASSETS			
Cash and Cash Equivalents	\$ -	-	-
Accounts Receivable			
Due from Government	21,720	-	-
Due from Other Funds	-	-	-
Total Assets	\$ 21,720	-	-
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	-	-
Accrued Expenditures	-	-	-
Due to Other Funds	21,720	-	-
Total Liabilities	21,720	-	-
Fund Balances			
Fund Balance:			
Restricted for:			
Instruction	-	-	-
Food Service Operations	-	-	-
Capital Improvements	-	-	-
Assigned to:			
Subsequent Years Expenditures and Other Programs	-	-	-
Total Fund Balance	-	-	-
Total Liabilities and Fund Balances	\$ 21,720	-	-

Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200	HB 33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
-	-	271,907	-	360,669
-	86,417	3,794	8,391	308,581
-	-	-	-	282,951
-	86,417	275,701	8,391	952,201
-	-	-	-	9,828
-	-	-	-	216,007
-	86,417	-	8,391	282,951
-	86,417	-	8,391	508,786
-	-	-	-	18,965
-	-	-	-	19,569
-	-	275,701	-	275,701
-	-	-	-	129,180
-	-	275,701	-	443,415
-	86,417	275,701	8,391	952,201

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 443,415**

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

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

Capital Assets	116,144	
Accumulated Depreciation	(102,467)	
	13,677	13,677

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds		922,885
--	--	---------

The net pension liability is not due and payable in the current period and, therefore, is nt reported in the funds		(4,686,318)
--	--	-------------

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(92,837)
		(92,837)

Net Position (Deficit)-Total Governmental Activities		\$ (3,399,178)
		(3,399,178)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	2,292	-	-
State Grant	2,755,494	28,697	-
Federal Grant	-	-	138,090
Charges for Services	699	-	40,501
Total Revenues	2,758,485	28,697	178,591
EXPENDITURES			
Current:			
Instruction	2,132,142	33,027	-
Support Services:			
Students	136,789	-	-
Instruction	9,764	-	-
General Administration	21,412	-	-
School Administration	173,138	-	-
Central Services	254,061	-	-
Operation & Maintenance of Plant	396,266	-	-
Food Services Operations	-	-	201,363
Capital Outlay	-	-	-
Total Expenditures	3,123,572	33,027	201,363
Net Changes in Fund Balances	(365,087)	(4,330)	(22,772)
Fund Balances - Beginning of Year	494,267	23,295	42,341
Fund Balances - End of Year	\$ 129,180	18,965	19,569

Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	2012 SB-66 Student Library 27107	Pre-K Initiative 27149
-	-	-	-	-
-	-	-	-	-
-	-	-	1,049	128,248
152,469	87,818	21,855	-	-
-	-	-	-	-
<u>152,469</u>	<u>87,818</u>	<u>21,855</u>	<u>1,049</u>	<u>128,248</u>
110,988	-	21,505	-	123,767
41,481	87,818	-	-	4,360
-	-	-	1,049	-
-	-	-	-	-
-	-	350	-	121
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>152,469</u>	<u>87,818</u>	<u>21,855</u>	<u>1,049</u>	<u>128,248</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Statement of Revenues, Expenditures, and Changes In Fund Balances - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Kindergarten Three Plus 27166	Teacher and School Leader Incentive Pay 27188	Group Pay for Performance 27190
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	-	-	-
State Grant	89,938	133,073	192,601
Federal Grant	-	-	-
Charges for Services	-	-	-
Total Revenues	89,938	133,073	192,601
EXPENDITURES			
Current:			
Instruction	89,938	119,037	168,980
Support Services:			
Students	-	-	4,725
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	14,036	9,448
Central Services	-	-	4,724
Operation & Maintenance of Plant	-	-	4,724
Food Services Operations	-	-	-
Capital Outlay	-	-	-
Total Expenditures	89,938	133,073	192,601
Net Changes in Fund Balances	-	-	-
Fund Balances - Beginning of Year	-	-	-
Fund Balances - End of Year	\$ -	-	-

Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200	HB 33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
-	-	275,884	-	275,884
-	-	-	-	2,292
-	345,669	-	8,391	3,683,160
-	-	-	-	400,232
-	-	-	-	41,200
-	345,669	275,884	8,391	4,402,768
604	-	-	-	2,799,988
-	-	-	-	275,173
-	-	-	-	10,813
-	-	2,759	-	24,171
-	-	-	-	197,093
-	-	-	-	258,785
-	-	-	-	400,990
-	-	-	-	201,363
-	345,669	(2,576)	8,391	351,484
604	345,669	183	8,391	4,519,860
(604)	-	275,701	-	(117,092)
604	-	-	-	560,507
-	-	275,701	-	443,415

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (117,092)**

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

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 capital outlay exceeds
depreciation for the period

Capital Outlays	9,188	
Depreciation Expense	<u>(3,623)</u>	
		5,565

Changes in deferred outflows resources-pension related, deferred inflows of resources-pension related and the net pension liability		<u>(192,253)</u>
--	--	------------------

Change in Net Position-Total Governmental Activities **\$ (303,780)**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 23,401
Total Assets	<u>\$ 23,401</u>
LIABILITIES	
Deposits Held for Others	\$ 23,401
Total Liabilities	<u>\$ 23,401</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 31,575	45,978	54,152	23,401
Total Assets	<u>\$ 31,575</u>	<u>45,978</u>	<u>54,152</u>	<u>23,401</u>
LIABILITIES				
Deposits Held for Others	\$ 31,575	45,978	54,152	23,401
Total Liabilities	<u>\$ 31,575</u>	<u>45,978</u>	<u>54,152</u>	<u>23,401</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. North Valley Academy's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. North Valley Academy does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. North Valley Academy utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for the North Valley Academy are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
Capital Assets being Depreciated:				
Furniture, Fixtures and Equipment	\$ 15,482	-	-	15,482
Building and Improvements	91,474	9,188	-	100,662
Total	<u>106,956</u>	<u>9,188</u>	<u>-</u>	<u>116,144</u>
Less: Accumulated Depreciation				
Furniture, Fixtures and Equipment	(8,328)	(2,530)	-	(10,858)
Building and Improvements	(90,516)	(1,093)	-	(91,609)
Total	<u>(98,844)</u>	<u>(3,623)</u>	<u>-</u>	<u>(102,467)</u>
Capital Assets, Net	<u>\$ 8,112</u>	<u>5,565</u>	<u>-</u>	<u>13,677</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Operation and Maintenance of Plant	\$ 2,509
Food Service	<u>1,114</u>
Total	<u>\$ 3,623</u>

NOTE 3. COMMITMENTS AND LIABILITIES

North Valley Academy leased equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$543,218. North Valley Academy's minimum future payments on these leases are as follows:

Year Ending June 30:

2018	\$	493,084
2019		3,855
2020		3,855
2021		3,855
2022		<u>3,855</u>
Total	\$	<u>508,504</u>

NOTE 4. RELATED PARTY TRANSACTION

Business Manager Services are performed by aptAbility, which also provides Business Manager Services to multiple New Mexico charter schools.

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to North Valley Academy and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Contributions – For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, North Valley Academy paid employee and employer contributions of \$284,991 and \$258,518, which equal the amount of the required contributions for each fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, North Valley Academy reported a liability of \$4,686,318 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

North Valley Academy’s proportion of the net pension liability was based on a projection of North Valley Academy’s long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2016 North Valley Academy’s proportion was 0.06512%, which was an increase of .00221% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, North Valley Academy’s recognized pension expense is \$478,653. At June 30, 2017, North Valley Academy reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 20,331	(44,573)
Changes in assumptions	95,395	-
Net difference between projected and actual earnings on pension plan investments	279,734	-
Changes in proportion and differences between North Valley Academy’s contributions and proportionate share of contributions	242,434	(48,264)
North Valley Academy’s contributions subsequent to the measurement date	<u>284,991</u>	<u>-</u>
Total	\$ <u>922,885</u>	<u>(92,837)</u>

The amount of \$284,991 reported as deferred outflows of resources related to pensions resulting from North Valley Academy’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	129,450
2019		186,035
2020		161,356
2021		<u>68,216</u>
Total	\$	<u>545,057</u>

Sensitivity of North Valley Academy’s proportionate share of the net pension liability to changes in the discount rate. The following presents North Valley Academy’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the North Valley Academy’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:

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Notes to the Financial Statements
June 30, 2017

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
North Valley Academy’s proportionate share of the net pension liability	\$ 6,206,919	4,686,318	3,424,648

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, North Valley Academy’s accrued liability due to ERB was \$0 for June payroll paid in July 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.07%	0.06%	0.06%
School's Proportionate Share of Net Pension Liability (Asset)	\$	4,686	4,075	3,334
School's Covered-Employee Payroll	\$	2,050	1,718	1,610
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		228.57%	237.23%	207.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for North Valley Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Statutory required contributions	\$ 284	259	285
Contributions in Relation to the Contractually Required Contribution	249	259	285
Annual contribution deficiency (excess)	\$ 35	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for North Valley Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	2,292	2,292
State Grant	2,854,504	2,755,494	2,755,494	-
Charges for Services	-	-	699	699
Total Revenues	2,854,504	2,755,494	2,758,485	2,991
EXPENDITURES				
Current:				
Instruction	2,236,342	2,224,438	2,128,179	96,259
Support Services:				
Students	206,921	132,874	136,878	(4,004)
Instruction	10,971	10,863	9,764	1,099
General Administration	31,000	31,784	21,905	9,879
School Administration	180,042	192,836	173,088	19,748
Central Services	261,270	257,437	262,100	(4,663)
Operation & Maintenance of Plant	392,547	414,135	398,161	15,974
Total Expenditures	3,319,093	3,264,367	3,130,075	134,292
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<i>(464,589)</i>	<i>(508,873)</i>	<i>(371,590)</i>	<i>137,283</i>
Other Financing Sources (Uses):				
Designated Cash	464,589	508,873	-	(508,873)
Total Other Financing Sources (Uses):	464,589	508,873	-	(508,873)
Net Changes in Fund Balances	-	-	(371,590)	(371,590)
Cash or Fund Balances - Beginning of Year	-	-	494,267	494,267
Cash or Fund Balances - End of Year	\$ -	-	122,677	122,677
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (371,590)	
Adjustments to Expenditures			6,503	
NET CHANGE IN FUND BALANCE			\$ (365,087)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 25,409	28,697	28,697	-
Total Revenues	<u>25,409</u>	<u>28,697</u>	<u>28,697</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	55,894	51,992	33,027	18,965
Total Expenditures	<u>55,894</u>	<u>51,992</u>	<u>33,027</u>	<u>18,965</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(30,485)</u>	<u>(23,295)</u>	<u>(4,330)</u>	<u>18,965</u>
Other Financing Sources (Uses):				
Designated Cash	27,077	30,485	-	(30,485)
Total Other Financing Sources (Uses):	<u>27,077</u>	<u>30,485</u>	<u>-</u>	<u>(30,485)</u>
Net Changes in Fund Balances	<u>(3,408)</u>	<u>7,190</u>	<u>(4,330)</u>	<u>(11,520)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>23,295</u>	<u>23,295</u>
Cash or Fund Balances - End of Year	<u>\$ (3,408)</u>	<u>7,190</u>	<u>18,965</u>	<u>11,775</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (4,330)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (4,330)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 147,000	135,000	138,090	3,090
Charges for Services	33,000	33,000	40,501	7,501
Total Revenues	<u>180,000</u>	<u>168,000</u>	<u>178,591</u>	<u>10,591</u>
EXPENDITURES				
Current:				
Food Services Operations	220,157	210,341	200,987	9,354
Total Expenditures	<u>220,157</u>	<u>210,341</u>	<u>200,987</u>	<u>9,354</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(40,157)</u>	<u>(42,341)</u>	<u>(22,396)</u>	<u>19,945</u>
Other Financing Sources (Uses):				
Designated Cash	54,798	62,732	-	(62,732)
Total Other Financing Sources (Uses):	<u>54,798</u>	<u>62,732</u>	<u>-</u>	<u>(62,732)</u>
Net Changes in Fund Balances	<u>14,641</u>	<u>20,391</u>	<u>(22,396)</u>	<u>(42,787)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>42,341</u>	<u>42,341</u>
Cash or Fund Balances - End of Year	<u>\$ 14,641</u>	<u>20,391</u>	<u>19,945</u>	<u>(446)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ (22,396)	
Adjustments to Revenues			-	
Adjustments to Expenditures			(376)	
NET CHANGE IN FUND BALANCE			<u>\$ (22,772)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 142,799	152,469	141,313	(11,156)
Total Revenues	<u>142,799</u>	<u>152,469</u>	<u>141,313</u>	<u>(11,156)</u>
EXPENDITURES				
Current:				
Instruction	96,564	110,988	110,988	-
Support Services:				
Students	46,235	41,481	41,481	-
Total Expenditures	<u>142,799</u>	<u>152,469</u>	<u>152,469</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(11,156)</u>	<u>(11,156)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(11,156)</u>	<u>(11,156)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,156)</u>	<u>(11,156)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (11,156)	
<i>Adjustments to Revenues</i>			11,156	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 74,292	87,818	79,676	(8,142)
Total Revenues	<u>74,292</u>	<u>87,818</u>	<u>79,676</u>	<u>(8,142)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	74,292	87,818	87,818	-
Total Expenditures	<u>74,292</u>	<u>87,818</u>	<u>87,818</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(8,142)</u>	<u>(8,142)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(8,142)</u>	<u>(8,142)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(8,142)</u>	<u>(8,142)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (8,142)	
Adjustments to Revenues			8,142	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 21,776	21,855	33,417	11,562
Total Revenues	<u>21,776</u>	<u>21,855</u>	<u>33,417</u>	<u>11,562</u>
EXPENDITURES				
Current:				
Instruction	21,776	21,505	21,505	-
Support Services:				
School Administration	-	350	350	-
Total expenditures	<u>21,776</u>	<u>21,855</u>	<u>21,855</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>11,562</u>	<u>11,562</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>11,562</u>	<u>11,562</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>11,562</u>	<u>11,562</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 11,562	
<i>Adjustments to Revenues</i>			<u>(11,562)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
2012 SB-66 Student Library 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 4,299	4,299	-	(4,299)
Total Revenues	<u>4,299</u>	<u>4,299</u>	<u>-</u>	<u>(4,299)</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	4,299	4,299	1,049	3,250
Total Expenditures	<u>4,299</u>	<u>4,299</u>	<u>1,049</u>	<u>3,250</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,049)</u>	<u>(1,049)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,049)</u>	<u>(1,049)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,049)</u>	<u>(1,049)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (1,049)	
Adjustments to Revenues			<u>1,049</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Pre-K Initiative 27149
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 128,248	128,248	116,382	(11,866)
Total Revenues	<u>128,248</u>	<u>128,248</u>	<u>116,382</u>	<u>(11,866)</u>
EXPENDITURES				
Current:				
Instruction	113,114	123,767	123,767	-
Support Services:				
Students	4,354	4,354	4,360	(6)
School Administration	10,780	127	121	6
Total Expenditures	<u>128,248</u>	<u>128,248</u>	<u>128,248</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	(11,866)	(11,866)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(11,866)</u>	<u>(11,866)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,866)</u>	<u>(11,866)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (11,866)	
Adjustments to Revenues			11,866	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Kindergarten-Three Plus 27166
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	100,489	89,421	(11,068)
Total Revenues	-	100,489	89,421	(11,068)
EXPENDITURES				
Current:				
Instruction	-	100,489	89,938	10,551
Total Expenditures	-	100,489	89,938	10,551
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(517)	(517)
Net Changes in Fund Balances	-	-	(517)	(517)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(517)	(517)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (517)	
<i>Adjustments to Revenues</i>			517	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher and School Leader Incentive Pay 27188
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	395,000	133,073	(261,927)
Total Revenues	-	395,000	133,073	(261,927)
EXPENDITURES				
Current:				
Instruction	-	380,000	119,037	260,963
Support Services:				
School Administration	-	15,000	14,036	964
Total Expenditures	-	395,000	133,073	261,927
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>			\$ -	
<i>Over (Under) Expenditures</i>			-	
<i>Adjustments to Revenues</i>			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Group Pay for Performance 27190
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	193,500	192,601	(899)
Total Revenues	-	193,500	192,601	(899)
EXPENDITURES				
Current:				
Instruction	-	169,828	168,980	848
Support Services:				
Students	-	4,727	4,725	2
School Administration	-	9,473	9,448	25
Central Services	-	4,736	4,724	12
Operation & Maintenance of Plant	-	4,736	4,724	12
Total Expenditures	-	193,500	192,601	899
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Private Dir Grants (Categorical) 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
<i>Total Revenues</i>	\$ -	-	-	-
EXPENDITURES				
Current:				
Instruction	-	604	604	-
<i>Total Expenditures</i>	-	604	604	-
<i>Excess (Deficiency) of Revenues</i>				
Over (Under) Expenditures	-	(604)	(604)	-
<i>Other financing sources (uses):</i>				
Designated Cash	604	604	-	(604)
<i>Total other financing sources (uses):</i>	604	604	-	(604)
<i>Net Changes in Fund Balances</i>	604	-	(604)	(604)
<i>Cash or Fund Balances - Beginning of Year</i>	604	604	604	-
<i>Cash or Fund Balances - End of Year</i>	\$ 1,208	604	-	(604)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (604)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (604)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	345,669	348,430	2,761
Total Revenues	-	345,669	348,430	2,761
EXPENDITURES				
Current:				
Capital Outlay	-	345,669	345,669	-
Total Expenditures	-	345,669	345,669	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	2,761	2,761
Net Changes in Fund Balances	-	-	2,761	2,761
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	2,761	2,761
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 2,761	
<i>Adjustments to Revenues</i>			(2,761)	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
HB33 CAPITAL IMPROVEMENTS 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 280,349	280,349	275,884	(4,465)
Total Revenues	<u>280,349</u>	<u>280,349</u>	<u>275,884</u>	<u>(4,465)</u>
EXPENDITURES				
Current:				
General Administration	2,804	2,804	2,759	45
Capital Outlay	277,545	277,545	1,218	276,327
Total Expenditures	<u>280,349</u>	<u>280,349</u>	<u>3,977</u>	<u>276,372</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>271,907</u>	<u>271,907</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>271,907</u>	<u>271,907</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>271,907</u>	<u>271,907</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 271,907	
<i>Adjustments to Revenues</i>			<u>3,794</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 275,701</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 8,920	20,047	12,626	(7,421)
Total Revenues	<u>8,920</u>	<u>20,047</u>	<u>12,626</u>	<u>(7,421)</u>
EXPENDITURES				
Current:				
Capital Outlay	8,920	20,047	8,391	11,656
Total Expenditures	<u>8,920</u>	<u>20,047</u>	<u>8,391</u>	<u>11,656</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	4,235	4,235
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,235</u>	<u>4,235</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,235</u>	<u>4,235</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 4,235	
<i>Adjustments to Revenues</i>			(4,235)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value/Par June 30, 2017</u>
New Mexico Bank & Trust	Watertown Wis GO Ref Bond	942214PJ0	6/1/2023	\$ 258,775
New Mexico Bank & Trust	Watertown Wis GO Unltd Tax	942214PL5	6/1/2025	346,759
				<u>\$ 605,534</u>
Total Cash per Schedule of Cash Accounts:				\$ 400,431
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				150,431
Collateral Requirement:				75,216
Pledged Collateral Held by Pledging Financial Institution:				<u>605,534</u>
Balance Over Collateralized:				<u>\$ 530,318</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ -</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>New Mexico Bank and Trust</u>
Checking - Operational Account	\$ 400,431
<i>Total on Deposit</i>	400,431
Reconciling Items	<u>(16,411)</u>
Reconciled Balance June 30, 2016	<u>384,020</u>
Plus Petty Cash	50
Less Agency Funds	<u>(23,401)</u>
<i>Total Cash</i>	<u><u>\$ 360,669</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NORTH VALLEY ACADEMY
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000	Federal Projects Account 24000
Cash, June 30, 2016	\$ 560,031	23,295	42,341	31,575	-
Add:					
2016-17 revenues	2,758,485	28,697	178,591	45,978	260,073
Total Cash Available	3,318,516	51,992	220,932	77,553	260,073
Less:					
2016-17 expenditures	(3,130,074)	(33,027)	(200,987)	(54,152)	(262,142)
Receivables/Payables	194,171	-	-	-	8,859
Outstanding Loans	(282,951)	-	-	-	119,982
Cash June 30, 2017	99,662	18,965	19,945	23,401	126,772
Fund Balance Reconciliations to GAAP Basis:					
Audit reclassifications to cash	(49,810)	-	-	-	(126,772)
Cash Per Books	49,852	18,965	19,945	23,401	-
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	79,328	-	(376)	(23,401)	-
Fund Balance (Deficit), Modified Accrual Basis	\$ 129,180	18,965	19,569	-	-

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

State Account 27000	Local or State 29000	Public School Capital Outlay 31200	HB 33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
-	604	-	-	-	657,846
553,265		348,430	275,884	12,626	4,462,029
553,265	604	348,430	275,884	12,626	5,119,875
(544,908)	(604)	(345,669)	(3,977)	(8,391)	(4,583,931)
12,977	-	-	-	-	216,007
68,161	-	86,417	-	8,391	-
89,495	-	89,178	271,907	12,626	751,951
(89,495)	-	(89,178)	-	(12,626)	(367,881)
-	-	-	271,907	-	384,070
					Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:
					(23,401)
					360,669
-	-	-	3,794	-	59,345
-	-	-	275,701	-	443,415
					Balance Sheets - Governmental Funds:
					443,415

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2017

VOLUME X



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
VOLUME TABLE OF CONTENTS**

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RED RIVER VALLEY CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current assets:

Cash and Cash Equivalents	\$ 83,399
Receivables	
Due from Other Governments	29,782
Total current assets	<u>113,181</u>

Noncurrent assets:

Capital Assets	
Leasehold Improvements	245,217
Furniture, Fixtures, and Equipment	19,258
Less: Accumulated Depreciation	(80,345)
Total Capital Assets	<u>184,130</u>
Total Assets	<u>297,311</u>

Deferred Outflows - Pension Related	<u>365,622</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	1,308
Accrued Liabilities	48,094
Total Current Liabilities	<u>49,402</u>

Noncurrent Liabilities:

Net Pension Liability	1,306,872
Total Noncurrent Liabilities	<u>1,306,872</u>
Total Liabilities	<u>1,356,274</u>

Deferred Inflows - Pension Related	<u>13,599</u>
---	---------------

NET POSITION (DEFICIT)

Net Investment in Capital Assets	184,130
Restricted	38,477
Unrestricted (Deficit)	(929,547)
Total Net Position (Deficit)	<u>\$ 706,940</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Statement of Activities
For The Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 606,562	422	178,673	-	(427,467)
Support Services:					
Students	93,312	-	-	-	(93,312)
Instruction	317	-	-	-	(317)
General Administration	29,555	-	-	-	(29,555)
School Administration	169,720	-	-	-	(169,720)
Central Services	71,197	-	-	-	(71,197)
Operation & Maintenance of Plant	44,654	-	-	-	(44,654)
Student Transportation	102,454	-	83,019	-	(19,435)
Food Services Operations	37,892	166	38,798	-	1,072
Facilities Materials, Supplies & Other Services	91,046	-	-	153,091	62,045
Total Governmental Activities	<u>\$ 1,246,709</u>	<u>588</u>	<u>300,490</u>	<u>153,091</u>	<u>(792,540)</u>
General Revenues:					
State Equalization Guarantee				\$	<u>687,581</u>
Total General Revenues					<u>687,581</u>
Change in Net Position					(104,959)
Net Position (Deficit), Beginning					<u>(601,981)</u>
Net Position (Deficit), Ending				\$	<u>(706,940)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Balance Sheets - Governmental Funds
June 30, 2017**

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
ASSETS				
Cash and Cash Equivalents	\$ 43,402	-	12,587	22,737
Accounts Receivable				
Due from Government	-	-	-	-
Due from Other Funds	22,510	-	-	-
Total Assets	\$ 65,912	-	12,587	22,737
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1,308	-	-	-
Accrued Expenditures	39,302	-	-	59
Due to Other Funds	-	-	-	-
Total Liabilities	40,610	-	-	59
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	-	12,587	-
Food Service Operations	-	-	-	22,678
Assigned to:				
Subsequent Years Expenditures and Other Programs	25,302	-	-	-
Total Fund Balance	25,302	-	12,587	22,678
Total Liabilities and Fund Balances	\$ 65,912	-	12,587	22,737

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	NM Fresh Fruit and Vegetables 24118	IDEA-B Risk Pool 24120	Teacher Principal Training 24154
-	-	-	-	-
10,107	2,288	336	-	1,830
-	-	-	-	-
<u>10,107</u>	<u>2,288</u>	<u>336</u>	<u>-</u>	<u>1,830</u>
-	-	-	-	-
1,080	-	-	-	-
9,027	2,288	336	-	1,830
<u>10,107</u>	<u>2,288</u>	<u>336</u>	<u>-</u>	<u>1,830</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,107</u>	<u>2,288</u>	<u>336</u>	<u>-</u>	<u>1,830</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Title XIX Medicaid 3/21 Years 25153	Reads to Leads 27114	Pre-K Initiative 27149	Taos County EGRT Bond 31100
ASSETS				
Cash and Cash Equivalents	\$ 3,212	1,461	-	-
Accounts Receivable				
Due from Government	-	661	11,614	-
Due from Other Funds	-	-	-	-
Total Assets	\$ 3,212	\$ 2,122	11,614	-
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	-	-
Accrued Expenditures	-	2,122	5,531	-
Due to Other Funds	-	-	6,083	-
Total Liabilities	-	2,122	11,614	-
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	3,212	-	-	-
Food Service Operations	-	-	-	-
Assigned to:	-	-	-	-
Subsequent Years Expenditures and Other Programs	-	-	-	-
Total Fund Balance	3,212	-	-	-
Total Liabilities and Fund Balances	\$ 3,212	\$ 2,122	11,614	-

The accompanying notes are an integral part of these financial statements

Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	83,399
-	2,946	29,782
-	-	22,510
-	2,946	135,691
-	-	1,308
-	-	48,094
-	2,946	22,510
-	2,946	71,912
-	-	15,799
-	-	22,678
-	-	25,302
-	-	63,779
-	2,946	135,691

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 63,779**

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

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

Capital Assets	264,475	
Accumulated Depreciation	<u>(80,345)</u>	
		184,130

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		365,622
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(13,599)
--	--	----------

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(1,306,872)</u>
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Net Position (Deficit)-Total Governmental Activities **\$ (706,940)**

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
REVENUES				
Local & County Grant	\$ -	-	-	-
State Grant	687,581	83,019	4,773	-
Federal Grant	-	-	-	38,350
Donations and contributions	35,339	-	-	-
Charges for Services	422	-	-	166
Total Revenues	<u>723,342</u>	<u>83,019</u>	<u>4,773</u>	<u>38,516</u>
EXPENDITURES				
Current:				
Instruction	384,559	-	5,472	-
Support Services:				
Students	65,857	-	-	-
Instruction	317	-	-	-
General Administration	15,979	-	-	-
School Administration	158,142	-	-	-
Central Services	71,197	-	-	-
Operation & Maintenance of Plant	37,840	-	-	-
Student Transportation	13,360	84,094	-	-
Food Services Operations	-	-	-	37,444
Capital Outlay	-	-	-	-
Total Expenditures	<u>747,251</u>	<u>84,094</u>	<u>5,472</u>	<u>37,444</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(23,909)</u>	<u>(1,075)</u>	<u>(699)</u>	<u>1,072</u>
Other financing sources (uses):				
Transfers in (out)	(745)	-	-	-
Total other financing sources (uses):	<u>(745)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(24,654)</u>	<u>(1,075)</u>	<u>(699)</u>	<u>1,072</u>
Fund Balances - Beginning of Year	<u>49,956</u>	<u>1,075</u>	<u>13,286</u>	<u>21,606</u>
Fund Balances - End of Year	<u>\$ 25,302</u>	<u>-</u>	<u>12,587</u>	<u>22,678</u>

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	NM Fresh Fruit and Vegetables 24118	IDEA-B Risk Pool 24120	Teacher Principal Training 24154
-	-	-	-	-
-	-	-	-	-
26,074	18,380	448	-	3,481
-	-	-	-	-
-	-	-	-	-
<u>26,074</u>	<u>18,380</u>	<u>448</u>	<u>-</u>	<u>3,481</u>
24,347	-	-	-	3,481
142	18,380	-	-	-
-	-	-	-	-
1,585	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	448	-	-
-	-	-	-	-
<u>26,074</u>	<u>18,380</u>	<u>448</u>	<u>-</u>	<u>3,481</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - Continued
Governmental Funds
For The Year Ended June 30, 2017**

	Title XIX Medicaid 3/21 Years 25153	Reads to Leads 27114	Pre-K Initiative 27149	Taos County EGRT Bond 31100
REVENUES				
Local & County Grant	\$ -	-	-	93,094
State Grant	-	22,000	64,199	-
Federal Grant	4,427	-	-	-
Donations and contributions	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	4,427	22,000	64,199	93,094
EXPENDITURES				
Current:				
Instruction	-	22,000	59,199	-
Support Services:				
Students	1,215	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	5,000	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	93,094
Total Expenditures	1,215	22,000	64,199	93,094
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	3,212	-	-	-
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Net Changes in Fund Balances	3,212	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	\$ 3,212	-	-	-

The accompanying notes are an integral part of these financial statements

Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	93,094
57,776	2,221	921,569
-	-	91,160
-	-	35,339
-	-	588
<u>57,776</u>	<u>2,221</u>	<u>1,141,750</u>
-	-	499,058
-	-	85,594
-	-	317
-	-	17,564
-	-	158,142
-	-	71,197
-	-	37,840
-	-	102,454
-	-	37,892
57,796	2,946	153,836
<u>57,796</u>	<u>2,946</u>	<u>1,163,894</u>
<u>(20)</u>	<u>(725)</u>	<u>(22,144)</u>
20	725	-
<u>20</u>	<u>725</u>	<u>-</u>
-	-	(22,144)
-	-	85,923
-	-	63,779
<u>-</u>	<u>-</u>	<u>63,779</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance-Total Governmental Funds **\$ (22,144)**

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

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 capital outlay exceeds
depreciation for the period

Capital Outlays	66,147	
Depreciation Expense	<u>(11,134)</u>	
		55,013

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability		<u>(137,828)</u>
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Change in Net Position-Total Governmental Activities **\$ (104,959)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 785
Total Assets	<u>\$ 785</u>
 LIABILITIES	
Deposits Held for Others	\$ 785
Total Liabilities	<u>\$ 785</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ -	785	-	785
Total Assets	<u>\$ -</u>	<u>785</u>	<u>-</u>	<u>785</u>
LIABILITIES				
Deposits Held for Others	\$ -	785	-	785
Total Liabilities	<u>\$ -</u>	<u>785</u>	<u>-</u>	<u>785</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Red River Valley Charter School’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Red River Valley Charter School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Red River Valley Charter School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	3-20 years
Leasehold Improvements	5-25 years

Capital assets for Red River Valley Charter School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Leasehold improvements	\$ 189,948	66,147	(10,878)	245,217
Furniture, Fixtures and Equipment	206,215	-	(186,957)	19,258
<i>Total</i>	<u>396,163</u>	<u>66,147</u>	<u>(197,835)</u>	<u>264,475</u>
<i>Less: Accumulated Depreciation</i>				
Leasehold improvements	(68,607)	(9,798)	10,878	(67,527)
Furniture, Fixtures and Equipment	(198,439)	(1,336)	186,957	(12,818)
<i>Total</i>	<u>(267,046)</u>	<u>(11,134)</u>	<u>197,835</u>	<u>(80,345)</u>
Capital Assets, Net	<u>\$ 129,117</u>	<u>55,013</u>	<u>-</u>	<u>184,130</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$	963
Operations & Maintenance of Plant		6,814
Facilities, Materials, Supplies & Other Services		3,357
Total	\$	11,134

NOTE 3. COMMITMENTS AND LIABILITIES

The school leased facilities under a short-term cancelable operating lease. Rental expense for the year was \$57,796. The school's minimum future payments are based on the total allocation from the Public School Capital Outlay Funds.

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Red River Valley Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Red River Valley Charter School paid employee and employer contributions of \$64,485 and \$72,109.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Red River Valley Charter School reported a liability of \$1,306,872 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Red River Valley Charter School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Red River Valley Charter School’s proportion was 0.01816%, which was an increase of 0.00181% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Red River Valley Charter School recognized pension expense of \$202,664. At June 30, 2017, Red River Valley Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,670	(12,430)
Changes in assumptions	26,603	-
Net difference between projected and actual earnings on pension plan investments	78,009	-
Changes in proportion and differences between Red River Valley Charter School’s contributions and proportionate share of contributions	190,855	(1,169)
Red River Valley Charter School’s contributions subsequent to the measurement date	<u>64,485</u>	<u>-</u>
Total	<u>\$ 365,622</u>	<u>(13,599)</u>

The amount of \$64,485 reported as deferred outflows of resources related to pensions resulting from Red River Valley Charter School’s contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 103,605
2019	104,299
2020	60,610
2021	<u>19,024</u>
Total	<u>\$ 287,538</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Red River Valley Charter School
 Notes to the Financial Statements
 June 30, 2017

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of Red River Valley Charter School’s proportionate share of the net pension liability to changes in the discount rate. The following presents the Red River Valley Charter School proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Red River Valley Charter 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:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The School’s proportionate share of the net pension liability	<u>\$ 1,730,922</u>	<u>1,306,872</u>	<u>955,031</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Red River Valley Charter School owed \$21,722 to ERB for fiscal year 2017 contributions.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	30-Jun		
Fiscal Year	2017	2016	2015
Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)	0.01816%	0.01635%	0.01293%
School's Proportionate Share of Net Pension Liability (Asset)	\$ 1,307	1,059	738
School's Covered-Employee Payroll	\$ 498	446	356
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	262.59%	237.23%	207.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Red River Valley Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 65	72	64
Contributions in Relation to the Contractually Required Contribution	65	72	64
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Red River Valley Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 702,958	681,434	687,581	6,147
Donations and contributions	-	35,000	35,339	339
Charges for Services	1,890	1,890	422	(1,468)
Total Revenues	<u>704,848</u>	<u>718,324</u>	<u>723,342</u>	<u>5,018</u>
EXPENDITURES				
Current:				
Instruction	413,000	401,579	384,559	17,020
Support Services:				
Students	59,870	48,521	65,857	(17,336)
Instruction	-	-	317	(317)
General Administration	18,000	16,205	15,979	226
School Administration	145,168	155,717	158,142	(2,425)
Central Services	32,494	85,135	71,197	13,938
Operation & Maintenance of Plant	73,707	44,506	36,532	7,974
Student Transportation	-	16,617	13,360	3,257
Total Expenditures	<u>742,239</u>	<u>768,280</u>	<u>745,943</u>	<u>22,337</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(37,391)</u>	<u>(49,956)</u>	<u>(22,601)</u>	<u>27,355</u>
Other Financing Sources (Uses):				
Transfers	-	-	(745)	(745)
Designated Cash	37,391	49,956	-	(49,956)
Total Other Financing Sources (Uses):	<u>37,391</u>	<u>49,956</u>	<u>(745)</u>	<u>(50,701)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(23,346)</u>	<u>(23,346)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>49,956</u>	<u>49,956</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>26,610</u>	<u>26,610</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ (23,346)	
Adjustments to Revenues			-	
Adjustments to Expenditures			(1,308)	
NET CHANGE IN FUND BALANCE			<u>\$ (24,654)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 28,277	84,094	84,094	-
Total Revenues	<u>28,277</u>	<u>84,094</u>	<u>84,094</u>	<u>-</u>
EXPENDITURES				
Current:				
Student Transportation	28,277	84,094	84,094	-
Total Expenditures	<u>28,277</u>	<u>84,094</u>	<u>84,094</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,075</u>	<u>1,075</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,075</u>	<u>1,075</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to revenues			(1,075)	
Adjustments to expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (1,075)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 4,237	3,591	4,773	1,182
Total Revenues	<u>4,237</u>	<u>3,591</u>	<u>4,773</u>	<u>1,182</u>
EXPENDITURES				
Current:				
Instruction	4,237	16,876	5,472	11,404
Total Expenditures	<u>4,237</u>	<u>16,876</u>	<u>5,472</u>	<u>11,404</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(13,285)</u>	<u>(699)</u>	<u>12,586</u>
Other Financing Sources (Uses):				
Designated Cash	-	13,285	-	(13,285)
Total Other Financing Sources (Uses):	<u>-</u>	<u>13,285</u>	<u>-</u>	<u>(13,285)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(699)</u>	<u>(699)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>13,286</u>	<u>13,286</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>12,587</u>	<u>12,587</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (699)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (699)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	-	38,350	38,350
Charges for Services	26,000	26,000	166	(25,834)
Total Revenues	<u>26,000</u>	<u>26,000</u>	<u>38,516</u>	<u>12,516</u>
EXPENDITURES				
Current:				
Food Services Operations	33,506	47,606	37,444	10,162
Total Expenditures	<u>33,506</u>	<u>47,606</u>	<u>37,444</u>	<u>10,162</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(7,506)</u>	<u>(21,606)</u>	<u>1,072</u>	<u>22,678</u>
Other Financing Sources (Uses):				
Designated Cash	7,506	21,606	-	(21,606)
Total Other Financing Sources (Uses):	<u>7,506</u>	<u>21,606</u>	<u>-</u>	<u>(21,606)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>1,072</u>	<u>1,072</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>21,606</u>	<u>21,606</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>22,678</u>	<u>22,678</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 1,072	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,072</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 23,209	54,677	24,681	(29,996)
Total Revenues	<u>23,209</u>	<u>54,677</u>	<u>24,681</u>	<u>(29,996)</u>
EXPENDITURES				
Current:				
Instruction	23,209	51,141	24,347	26,794
Support Services:				
Students	-	-	142	(142)
General Administration	-	3,536	1,585	1,951
Total Expenditures	<u>23,209</u>	<u>54,677</u>	<u>26,074</u>	<u>28,603</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(1,393)	(1,393)
Net Change in Fund Balance	-	-	(1,393)	(1,393)
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,393)</u>	<u>(1,393)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (1,393)	
Adjustments to Revenues			1,393	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 16,092	18,380	16,092	(2,288)
Total Revenues	<u>16,092</u>	<u>18,380</u>	<u>16,092</u>	<u>(2,288)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	16,092	18,380	18,380	-
Total Expenditures	<u>16,092</u>	<u>18,380</u>	<u>18,380</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(2,288)	(2,288)
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(2,288)</u>	<u>(2,288)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,288)</u>	<u>(2,288)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (2,288)	
Adjustments to Revenues			2,288	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
NM Fresh Fruit and Vegetables 24118
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	3,864	111	(3,753)
Total Revenues	<u>-</u>	<u>3,864</u>	<u>111</u>	<u>(3,753)</u>
EXPENDITURES				
Current:				
Food Services Operations	-	3,864	448	3,416
Total Expenditures	<u>-</u>	<u>3,864</u>	<u>448</u>	<u>3,416</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(337)	(337)
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(337)</u>	<u>(337)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(337)</u>	<u>(337)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (337)	
Adjustments to Revenues			337	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	-	33,717	33,717
Total Revenues	-	-	33,717	33,717
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	33,717	33,717
Net Change in Fund Balance	-	-	33,717	33,717
Cash or Fund Balance - Beginning of Year	-	-	-	-
Cash or Fund Balance - End of Year	\$ -	-	33,717	33,717
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 33,717	
Adjustments to Revenues			(33,717)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 4,385	9,725	2,811	(6,914)
Total Revenues	<u>4,385</u>	<u>9,725</u>	<u>2,811</u>	<u>(6,914)</u>
EXPENDITURES				
Current:				
Instruction	4,385	9,725	3,481	6,244
Total expenditures	<u>4,385</u>	<u>9,725</u>	<u>3,481</u>	<u>6,244</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(670)</u>	<u>(670)</u>
Net change in Fund Balance	<u>-</u>	<u>-</u>	<u>(670)</u>	<u>(670)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(670)</u>	<u>(670)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (670)	
Adjustments to Revenues			670	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 3/21 Years 25153
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	4,428	4,427	(1)
Total Revenues	<u>-</u>	<u>4,428</u>	<u>4,427</u>	<u>(1)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	4,428	1,215	3,213
Total Expenditures	<u>-</u>	<u>4,428</u>	<u>1,215</u>	<u>3,213</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>3,212</u>	<u>3,212</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>3,212</u>	<u>3,212</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,212</u>	<u>3,212</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 3,212	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 3,212</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Reads to Leads 27114
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 22,000	22,000	30,219	8,219
Total Revenues	<u>22,000</u>	<u>22,000</u>	<u>30,219</u>	<u>8,219</u>
EXPENDITURES				
Current:				
Instruction	22,000	22,000	22,000	-
Total Expenditures	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	8,219	8,219
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>8,219</u>	<u>8,219</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>8,219</u>	<u>8,219</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 8,219	
Adjustments to Revenues			(8,219)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Pre-K Initiative 27149
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 69,124	69,124	52,585	(16,539)
Total Revenues	<u>69,124</u>	<u>69,124</u>	<u>52,585</u>	<u>(16,539)</u>
EXPENDITURES				
Current:				
Instruction	64,124	64,124	59,199	4,925
Student Transportation	5,000	5,000	5,000	-
Total Expenditures	<u>69,124</u>	<u>69,124</u>	<u>64,199</u>	<u>4,925</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(11,614)	(11,614)
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(11,614)</u>	<u>(11,614)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,614)</u>	<u>(11,614)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (11,614)	
Adjustments to Revenues			11,614	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Taos County EGRT Bond 31100
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	149,006	93,094	(55,912)
Total Revenues	<u>-</u>	<u>149,006</u>	<u>93,094</u>	<u>(55,912)</u>
EXPENDITURES				
Capital Outlay	-	149,006	93,094	55,912
Total Expenditures	<u>-</u>	<u>149,006</u>	<u>93,094</u>	<u>55,912</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	57,796	73,349	15,553
Total Revenues	<u>-</u>	<u>57,796</u>	<u>73,349</u>	<u>15,553</u>
EXPENDITURES				
Capital Outlay	-	57,796	57,796	-
Total Expenditures	<u>-</u>	<u>57,796</u>	<u>57,796</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>15,553</u>	<u>15,553</u>
Other financing sources (uses):				
Transfers	-	-	20	20
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>20</u>	<u>20</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>15,573</u>	<u>15,573</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>15,573</u>	<u>15,573</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ 15,573	
Adjustments to Revenues			(15,573)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 594	3,335	2,415	(920)
Total Revenues	<u>594</u>	<u>3,335</u>	<u>2,415</u>	<u>(920)</u>
EXPENDITURES				
Capital Outlay	594	3,335	2,946	389
Total Expenditures	<u>594</u>	<u>3,335</u>	<u>2,946</u>	<u>389</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(531)</u>	<u>(531)</u>
Other Financing Sources (Uses):				
Transfers	-	-	725	725
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>725</u>	<u>725</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>194</u>	<u>194</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>194</u>	<u>194</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ 194	
Adjustments to Revenues			(194)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
N/A	N/A	N/A	N/A	\$ -
				<u>\$ -</u>
Total Cash per Schedule of Cash Accounts:				\$ 163,776
Less: FDIC coverage:				<u>(163,776)</u>
Uninsured Public Funds:				-
Collateral Requirement:				-
Pledged Collateral Held by Pledging Financial Institution:				<u>-</u>
Balance Over Collateralized:				<u><u>\$ -</u></u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	Peoples Bank	Nusenda Bank	Total
Checking - Old Operational Account	\$ 9,325	-	9,325
Checking - New Operational Account	-	154,451	154,451
Total on Deposit	9,325	154,451	163,776
Reconciling Items	-	(79,592)	(79,592)
Reconciled Balance June 30, 2017	9,325	74,859	84,184
Less Agency Funds	-	(785)	(785)
Total Cash	\$ 9,325	74,074	83,399

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000
Cash, June 30, 2016	\$ 100	2,150	10,681	21,606	-
Add:					
2016-17 revenues	723,342	84,094	4,773	38,516	785
Total Cash Available	723,442	86,244	15,454	60,122	785
Less:					
2016-17 expenditures	(745,943)	(84,094)	(5,472)	(37,444)	-
Receivables/Payables	39,302	-	-	59	-
Cash transfers	(745)	-	-	-	-
Outstanding Loans	(22,510)	-	-	-	-
Cash June 30, 2017	(6,454)	2,150	9,982	22,737	785
Fund Balance Reconciliations to GAAP Basis:					
Audit reclassifications to cash	49,856	(2,150)	2,605	-	-
Cash Per Books	43,402	-	12,587	22,737	785
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	(18,100)	-	-	(59)	(785)
Fund Balance, Modified Accrual Basis	<u>\$ 25,302</u>	<u>-</u>	<u>12,587</u>	<u>22,678</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	Federal Direct Account 25000	State Account 27000	Bond Building 31100	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	-	-	34,537
81,963	4,427	82,804	93,094	73,349	2,415	1,189,562
81,963	4,427	82,804	93,094	73,349	2,415	1,224,099
(48,383)	(1,215)	(86,199)	(93,094)	(57,796)	(2,946)	(1,162,586)
1,080	-	7,653	-	-	-	48,094
-	-	-	-	20	725	-
13,481	-	6,083	-	-	2,946	-
48,141	3,212	10,341	-	15,573	3,140	109,607
(48,141)	-	(8,880)	-	(15,573)	(3,140)	(25,423)
-	3,212	1,461	-	-	-	84,184
					Less - Agency Fund:	(785)
						\$ 83,399
-	-	(1,461)	-	-	-	(20,405)
-	3,212	-	-	-	-	63,779

ROOT AND WINGS COMMUNITY CHARTER

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current assets:

Cash and Cash Equivalents	\$ 132,477
Receivables	
Due from Other Governments	8,089
Total current assets	<u>140,566</u>

Noncurrent assets:

Capital Assets	
Land	58,802
Construction in Progress	23,922
Buildings and Improvements	54,292
Equipment and Vehicles	56,678
Less: Accumulated Depreciation	<u>(87,091)</u>
Total Capital Assets	<u>106,603</u>
Total Assets	<u>247,169</u>

Deferred Outflows - Pension Related	<u>228,960</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	6,130
Accrued Liabilities	<u>34,198</u>
Total Current Liabilities	<u>40,328</u>

Noncurrent Liabilities:

Net Pension Liability	<u>788,009</u>
Total Noncurrent Liabilities	<u>788,009</u>
Total Liabilities	<u>828,337</u>

Deferred Inflows - Pension Related	<u>30,154</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	106,603
Restricted	16,478
Unrestricted (Deficit)	<u>(505,443)</u>
Total Net Position (Deficit)	<u>\$ (382,362)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 320,868	883	79,132	-	(240,853)
Support Services:					
Students	22,500	-	-	-	(22,500)
Instruction	799	-	-	-	(799)
General Administration	9,174	-	-	-	(9,174)
School Administration	132,344	-	-	-	(132,344)
Central Services	69,257	-	-	-	(69,257)
Operation & Maintenance of Plant	55,325	-	-	32,490	(22,835)
Facilities Materials, Supplies & Other Services	33,535	-	-	-	(33,535)
Total Governmental Activities	\$ 643,802	883	79,132	32,490	(531,297)
			General Revenues:		
			State Equalization Guarantee	\$ 479,576	
			Miscellaneous	1,787	
			Total General Revenues	481,363	
			Change in Net Position		(49,934)
			Net Position (Deficit), Beginning, as Previously Reported		(420,928)
			Restatement (Note 6)		88,500
			Net Position (Deficit), Beginning, as Restated		(332,428)
			Net Position (Deficit), Ending		\$ (382,362)

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Balance Sheets - Governmental Funds
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS				
Cash and Cash Equivalents	\$ 108,915	3,908	913	681
Accounts Receivable				
Due from Government	1,389	-	-	5,300
Due from Other Funds	8,411	-	-	-
Total Assets	\$ 118,715	3,908	913	5,981
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 6,130	-	-	-
Accrued Expenditures	28,825	-	913	681
Due to Other Funds	-	-	-	5,300
Total Liabilities	\$ 34,955	-	913	5,981
<i>Fund Balances</i>				
Fund Balance:				
Nonspendable				
Restricted for:				
Instruction	-	3,908	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	83,760	-	-	-
Total Fund Balance	83,760	3,908	-	-
Total Liabilities and Fund Balances	\$ 118,715	3,908	913	5,981

The accompanying notes are an integral part of these financial statements

Title XIX Medicaid 25153	Golden Apple Foundation 26163	Literacy GO Bonds 27105	2012 GO Bond Student Library 27107	Reads to Lead 27114	Bond Building 31100
178	-	-	-	5,490	12,392
-	-	-	1,400	-	-
-	-	-	-	-	-
178	-	-	1,400	5,490	12,392
-	-	-	-	-	-
-	-	-	-	3,779	-
-	-	-	1,400	1,711	-
-	-	-	1,400	5,490	-
178	-	-	-	-	-
-	-	-	-	-	12,392
-	-	-	-	-	-
178	-	-	-	-	12,392
178	-	-	1,400	5,490	12,392

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Balance Sheets - Governmental Funds - (Continued)
June 30, 2017

	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
ASSETS			
Cash and Cash Equivalents	\$ -	-	132,477
Accounts Receivable			
Due from Government	-	-	8,089
Due from Other Funds	-	-	8,411
Total Assets	\$ -	-	148,977
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ -	-	6,130
Accrued Expenditures	-	-	34,198
Due to Other Funds	-	-	8,411
Total Liabilities	\$ -	-	48,739
<i>Fund Balances</i>			
Fund Balance:			
Nonspendable			
Restricted for:			
Instruction	-	-	4,086
Capital Improvements	-	-	12,392
Assigned to:			
Subsequent Years Expenditures and Other Programs	-	-	83,760
Total Fund Balance	-	-	100,238
<i>Total Liabilities and Fund Balances</i>	\$ -	-	148,977

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 100,238**

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

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

Capital Assets	193,694	
Accumulated Depreciation	<u>(87,091)</u>	
		106,603

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds		228,960
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		(30,154)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(788,009)</u>
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Net Position (Deficit)-Total Governmental Activities **\$ (382,362)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
REVENUES				
Local & County Grant	\$ 2,883	-	-	-
State Grant	479,576	2,332	-	-
Federal Grant	-	-	20,856	12,773
Charges for Services	883	-	-	-
Miscellaneous Income	1,764	-	-	-
Total Revenues	<u>485,106</u>	<u>2,332</u>	<u>20,856</u>	<u>12,773</u>
EXPENDITURES				
Current:				
Instruction	223,804	3,584	10,364	12,773
Support Services:				
Students	10,638	-	10,492	-
Instruction	799	-	-	-
General Administration	9,174	-	-	-
School Administration	119,784	-	-	-
Central Services	64,406	-	-	-
Operation & Maintenance of Plant	51,161	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>479,766</u>	<u>3,584</u>	<u>20,856</u>	<u>12,773</u>
Net Changes in Fund Balances	<u>5,340</u>	<u>(1,252)</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	12,298	5,160	-	-
Restatement (Note 6)	66,122	-	-	-
Fund Balances - Beginning of Year, as restated	<u>78,420</u>	<u>5,160</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 83,760</u>	<u>3,908</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Title XIX Medicaid 25153	Golden Apple Foundation 26163	Literacy GO Bonds 27105	2012 GO Bond Student Library 27107	Reads to Lead 27114	Bond Building 31100
-	3,000	-	-	-	-
-	-	-	1,400	35,710	-
178	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	23
<u>178</u>	<u>3,000</u>	<u>-</u>	<u>1,400</u>	<u>35,710</u>	<u>23</u>
-	3,000	-	1,400	35,710	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	83,769
<u>-</u>	<u>3,000</u>	<u>-</u>	<u>1,400</u>	<u>35,710</u>	<u>83,769</u>
<u>178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83,746)</u>
-	-	(108)	(4,367)	(8,169)	96,138
-	-	108	4,367	8,169	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,138</u>
<u>178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,392</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Statement of Revenues, Expenditures, and Changes In Fund Balances - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
REVENUES			
Local & County Grant	\$ -	-	5,883
State Grant	32,490	-	551,508
Federal Grant	-	-	33,807
Charges for Services	-	-	883
Miscellaneous Income	-	-	1,787
Total Revenues	<u>32,490</u>	<u>-</u>	<u>593,868</u>
EXPENDITURES			
Current:			
Instruction	-	-	290,635
Support Services:			
Students	-	-	21,130
Instruction	-	-	799
General Administration	-	-	9,174
School Administration	-	-	119,784
Central Services	-	-	64,406
Operation & Maintenance of Plant	-	-	51,161
Capital Outlay	32,490	-	116,259
Total Expenditures	<u>32,490</u>	<u>-</u>	<u>673,348</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(79,480)</u>
Fund Balances (Deficit) - Beginning of Year	(15,094)	(1,780)	84,078
Restatement	<u>15,094</u>	<u>1,780</u>	<u>95,640</u>
Fund Balances - Beginning of Year, as restated	<u>-</u>	<u>-</u>	<u>179,718</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>100,238</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (79,480)**

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

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
capital outlay exceeds depreciation for the period

Capital Outlays	82,724	
Depreciation Expense	(4,960)	
	77,764	

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability		(48,218)
		(48,218)

Change in Net Position-Total Governmental Activities **\$ (49,934)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Funds</u>
ASSETS	
Cash in Bank	<u>\$ 68</u>
Total Assets	<u><u>\$ 68</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 68</u>
Total Liabilities	<u><u>\$ 68</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ -	19,385	19,317	68
Total Assets	<u>\$ -</u>	<u>19,385</u>	<u>19,317</u>	<u>68</u>
LIABILITIES				
Deposits Held for Others	\$ -	19,385	19,317	68
Total Liabilities	<u>\$ -</u>	<u>19,385</u>	<u>19,317</u>	<u>68</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Roots and Wings Community School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Roots and Wings Community School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Roots and Wings Community School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Buildings and Improvements	10-20 years
Equipment and Vehicles	5-15 years

Capital assets for Roots and Wings Community School are recorded in the Statement of Net Position.

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 New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance June 30, 2016 (as restated)	Additions	Deletions	Balance Balance June 30, 2017
<i>Capital Assets not being Depreciated:</i>				
Land	\$ -	58,802	-	58,802
Construction in progress	-	23,922	-	23,922
<i>Total</i>	-	82,724	-	82,724
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	54,292	-	-	54,292
Equipment and Vehicles	56,678	-	-	56,678
<i>Total</i>	110,970	-	-	110,970
<i>Less: Accumulated Depreciation</i>				
Buildings and Improvements	(31,284)	(2,862)	-	(34,146)
Equipment, Vehicles, and Software	(50,847)	(2,098)	-	(52,945)
<i>Total</i>	(82,131)	(4,960)	-	(87,091)
Capital Assets being Depreciated, Net:	28,839	(4,960)	-	23,879
Capital Assets, Net	\$ 28,839	77,764	-	106,603

Depreciation expensed for the year ended June 30, 2017 was expensed to the following function:

Instruction	\$ 2,098
Operation & Maintenance of Plant	2,862
Total	\$ 4,960

NOTE 3. COMMITMENTS AND LIABILITIES

Roots and Wings Community School leases its facilities under a long-term cancelable operating lease. Rental expenses for the year ended June 30, 2017 was \$47,110. Roots and Wings Community School's minimum future payments on this lease are as follows:

Year Ending June 30:	
2018	\$ 48,057
2019	48,739
Total	\$ 96,796

NOTE 4. RELATED PARTY TRANSACTIONS

Roots and Wings Community School leases its facilities, as described in Note 3 above, from the spouse of one of its teachers.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Roots and Wings Community School and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Board fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Roots and Wings Community School paid employee and employer contributions of \$45,776 and \$43,327.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Roots and Wings Community School reported a liability of \$788,009 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Roots and Wings Community School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-22-21, NMSA 1978. At June 30, 2016, Roots and Wings Community School’s proportion was 0.01095%, which was an increase of 0.00248% from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

For the year ended June 30, 2017, Roots and Wings Community School recognized pension expense of \$94,302. At June 30, 2017, Roots and Wings Community School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,419	\$ (7,495)
Changes in assumptions	16,041	-
Net difference between projected and actual earnings on pension plan investments	47,038	-
Changes in proportion and differences between Roots and Wings Community School's contributions and proportionate share of contributions	116,686	(22,659)
Roots and Wings Community School's contributions subsequent to the measurement date	45,776	-
	<hr/>	<hr/>
Total	<u>\$ 228,960</u>	<u>(30,154)</u>

The amount of \$45,776 reported as deferred outflows of resources related to pensions resulting from Roots and Wings Community School's contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 36,092
2019	50,758
2020	54,709
2021	<u>11,471</u>
Total	<u>\$ 153,030</u>

Sensitivity of Roots and Wings Community School's proportionate share of the net pension liability to changes in the discount rate. The following presents Roots and Wings Community School's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what Roots and Wings Community 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Roots and Wings Community School proportionate share of the net pension liability	\$ 1,043,700	788,009	575,858

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Roots and Wings Community School owed \$9,532 to ERB for fiscal year 2017 contributions.

NOTE 6. RESTATEMENT OF PREVIOUSLY REPORTED AMOUNTS

Roots and Wings Community School identified several errors related to receipts and disbursements during fiscal year 2017 that should have been reported as revenues and expenditures of fiscal year 2016. Roots and Wings Community School has restated its previously reported fund balance in the following funds to correct these errors:

Fund No.	Fund Description	Adjustment
11000	Operational	\$ 66,122
27105	Literacy GO Bonds	108
27107	2012 GO Bond Student Library	4,367
27114	Reads to Lead	8,169
31200	Public School Capital Outlay	15,094
31700	SB-9 Capital Improvements	<u>1,780</u>
		<u>\$ 95,640</u>

Additionally, Roots and Wings Community School identified a capital asset that was previously capitalized, but does not meet Roots and Wings Community School’s capitalization threshold. In addition to the adjustments above to its individual funds, Roots and Wings Community School has restated its previously reported net position of governmental activities by \$7,140, which represents the net book value of this asset at June 30, 2016.

NOTE 7. TRANSFER OF COMPONENT UNIT

During 2017 Roots and Wings Community School transferred into the Public Education Department. Prior to transferring into the Public Education Department Roots and Wings Community School was a component unit of the Questa Independent School District.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	30-Jun		
Fiscal Year	2017	2016	2015
Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)	0.01095%	0.00847%	0.00882%
School's Proportionate Share of Net Pension Liability (Asset)	\$ 788	549	503
School's Covered-Employee Payroll	\$ 341	231	243
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	231.29%	237.23%	207.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Roots and Wings Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ 34	43	43
Contributions in Relation to the Contractually Required Contribution	34	43	43
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Roots and Wings Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	2,387	2,883	496
State Grant	486,884	479,576	480,343	767
Charges for Services	-	673	883	210
Miscellaneous Income	-	503	997	494
Total Revenues	<u>486,884</u>	<u>483,139</u>	<u>485,106</u>	<u>1,967</u>
EXPENDITURES				
Current:				
Instruction	256,059	240,067	227,798	12,269
Support Services:				
Students	9,500	9,500	8,584	916
Instruction	1,000	1,000	716	284
General Administration	8,500	9,424	8,492	932
School Administration	129,871	125,484	116,509	8,975
Central Services	76,184	57,102	54,763	2,339
Operation & Maintenance of Plant	55,770	57,493	51,161	6,332
Total Expenditures	<u>536,884</u>	<u>500,070</u>	<u>468,023</u>	<u>32,047</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(50,000)</u>	<u>(16,931)</u>	<u>17,083</u>	<u>34,014</u>
Other Financing Sources (Uses):				
Designated Cash	16,931	16,931	-	(16,931)
Total Other Financing Sources (Uses):	<u>16,931</u>	<u>16,931</u>	<u>-</u>	<u>(16,931)</u>
Net Changes in Fund Balances	<u>(33,069)</u>	<u>-</u>	<u>17,083</u>	<u>17,083</u>
Cash or Fund Balances - Beginning of Year, as restated	<u>-</u>	<u>-</u>	<u>78,420</u>	<u>78,420</u>
Cash or Fund Balances - End of Year	<u>\$ (33,069)</u>	<u>-</u>	<u>95,503</u>	<u>95,503</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 17,083	
Adjustments to Revenues			-	
Adjustments to Expenditures			(11,743)	
NET CHANGE IN FUND BALANCE			<u>\$ 5,340</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 2,873	2,331	2,332	1
Total Revenues	2,873	2,331	2,332	1
EXPENDITURES				
Current:				
Instruction	4,677	9,295	3,584	5,711
Total Expenditures	4,677	9,295	3,584	5,711
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(1,804)</i>	<i>(6,964)</i>	<i>(1,252)</i>	<i>5,712</i>
Other Financing Sources (Uses):				
Designated Cash	5,160	5,160	-	(5,160)
Total Other Financing Sources (Uses):	5,160	5,160	-	(5,160)
Net Changes in Fund Balances	3,356	(1,804)	(1,252)	552
Cash or Fund Balances - Beginning of Year	-	-	5,160	5,160
Cash or Fund Balances - End of Year	\$ 3,356	(1,804)	3,908	5,712
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (1,252)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (1,252)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 33,232	20,856	20,856	-
Total Revenues	33,232	20,856	20,856	-
EXPENDITURES				
Current:				
Instruction	16,232	10,364	10,364	-
Support Services:				
Students	17,000	10,492	10,492	-
Total Expenditures	33,232	20,856	20,856	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 10,429	12,773	23,244	10,471
Total Revenues	<u>10,429</u>	<u>12,773</u>	<u>23,244</u>	<u>10,471</u>
EXPENDITURES				
Current:				
Instruction	10,429	12,773	12,773	-
Total Expenditures	<u>10,429</u>	<u>12,773</u>	<u>12,773</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	10,471	10,471
Net Changes in Fund Balances	-	-	10,471	10,471
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>10,471</u>	<u>10,471</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 10,471	
Adjustments to Revenues			(10,471)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 25153
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	-	178	178
Total Revenues	<u>-</u>	<u>-</u>	<u>178</u>	<u>178</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	178	178
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>178</u>	<u>178</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>178</u>	<u>178</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 178	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 178</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Golden Apple Foundation 26163
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	3,000	3,000	-
Total Revenues	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	-	3,000	3,000	-
Total Expenditures	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of Budgetary Comparisons - Budgetary Basis
2012 GO Bond Student Library 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	1,400	-	(1,400)
Total Revenues	-	1,400	-	(1,400)
EXPENDITURES				
Current:				
Instruction	-	1,400	1,400	-
Total Expenditures	-	1,400	1,400	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(1,400)	(1,400)
Net Changes in Fund Balances	-	-	(1,400)	(1,400)
Cash or Fund Balances - Beginning of Year, as restated	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(1,400)	(1,400)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (1,400)	
Adjustments to Revenues			1,400	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Reads to Lead 27114
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 22,000	35,710	35,710	-
Total Revenues	<u>22,000</u>	<u>35,710</u>	<u>35,710</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	22,000	35,710	35,710	-
Total Expenditures	<u>22,000</u>	<u>35,710</u>	<u>35,710</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year, as restated	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Bond Building 31100
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Miscellaneous Income	\$ -	-	23	23
Total Revenues	-	-	23	23
EXPENDITURES				
Capital Outlay	96,456	96,456	83,769	12,687
Total Expenditures	96,456	96,456	83,769	12,687
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(96,456)	(96,456)	(83,746)	12,710
Other financing sources (uses):				
Designated Cash	96,138	96,138	-	(96,138)
Total other financing sources (uses):	96,138	96,138	-	(96,138)
Net Changes in Fund Balances	(318)	(318)	(83,746)	(83,428)
Cash or Fund Balances - Beginning of Year	-	-	96,138	96,138
Cash or Fund Balances - End of Year	\$ (318)	(318)	12,392	12,710
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (83,746)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (83,746)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	32,490	32,490	-
Total Revenues	<u>-</u>	<u>32,490</u>	<u>32,490</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	32,490	32,490	-
Total Expenditures	<u>-</u>	<u>32,490</u>	<u>32,490</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
N / A	N / A	N / A	N / A	\$ -
				-
				-
				\$ -

Total Cash per Schedule of Cash Accounts:	\$	134,982
Less: FDIC coverage:		<u>(134,982)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		<u>-</u>
Balance Over Collateralized:	\$	<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	\$	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Peoples Bank</u>
Checking - Operational Account	<u>\$ 134,982</u>
<i>Total on Deposit</i>	134,982
Reconciling Items	<u>(2,437)</u>
Reconciled Balance June 30, 2017	<u>132,545</u>
Less Agency Funds	<u>(68)</u>
<i>Total Cash</i>	<u><u>\$ 132,477</u></u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Roots and Wings Community School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Non-Instruct. Fund 23000	Federal Projects Account 24000
Cash, June 30, 2016	\$ 6,956	5,160	-	-
Add:				
2016-17 revenues	485,106	2,332	19,385	44,100
Total Cash Available	492,062	7,492	19,385	44,100
Less:				
2016-17 expenditures	(468,023)	(3,584)	(19,317)	(33,629)
Receivables/Payables	28,825	-	-	1,594
Outstanding Loans	(8,411)	-	-	5,300
Cash June 30, 2017	44,453	3,908	68	17,365
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	64,462	-	-	(15,771)
Cash Per Books	108,915	3,908	68	1,594
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(25,155)	-	(68)	(1,594)
Fund Balance, Modified Accrual Basis	\$ 83,760	3,908	-	-

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

Federal Direct Account 25000	Local Account 26000	State Account 27000	Bond Building 31100	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	96,138	-	-	108,254
178	3,000	35,710	23	32,490	-	622,324
178	3,000	35,710	96,161	32,490	-	730,578
-	(3,000)	(37,110)	(83,769)	(32,490)	-	(680,922)
-	-	3,779	-	-	-	34,198
-	-	3,111	-	-	-	-
178	-	5,490	12,392	-	-	83,854
-	-	-	-	-	-	48,691
178	-	5,490	12,392	-	-	\$ 132,545
					Less: Agency Fund:	(68)
						\$ 132,477
-	-	(5,490)	-	-	-	(32,307)
178	-	-	12,392	-	-	\$ 100,238

SAGE MONTESSORI CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 85,112
Receivables	
Due from Other Governments	12,853
Total Current Assets	<u>97,965</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	23,261
Less: Accumulated Depreciation	<u>(23,261)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>97,965</u>

Deferred Outflows - Pension Related	<u>256,932</u>
--	----------------

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	632
Accrued Liabilities	44,088
Total Current Liabilities	<u>44,720</u>

Noncurrent Liabilities:

Net Pension Liability	<u>1,591,131</u>
Total Noncurrent Liabilities	<u>1,591,131</u>
Total Liabilities	<u>1,635,851</u>

Deferred Inflows - Pension Related	<u>16,560</u>
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NET POSITION (DEFICIT)

Restricted	58,068
Unrestricted (Deficit)	<u>(1,355,582)</u>
Total Net Position (Deficit)	<u>\$ (1,297,514)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 680,343	-	106,049	-	(574,294)
Support Services:					
Students	74,671	-	-	-	(74,671)
Instruction	24,690	-	-	-	(24,690)
General Administration	92,896	-	-	-	(92,896)
School Administration	163,436	-	-	-	(163,436)
Central Services	118,291	-	-	-	(118,291)
Operation & Maintenance of Plant	231,442	-	-	-	(231,442)
Facilities Materials, Supplies & Other Services	196,092	-	-	132,489	(63,603)
Total Governmental Activities	\$ 1,581,861	-	106,049	132,489	(1,343,323)
General Revenues:					
Property Taxes				\$	106,166
State Equalization Guarantee					1,148,330
Miscellaneous					18,195
Total General Revenues					<u>1,272,691</u>
Change in Net Position					(70,632)
Net Position (Deficit), Beginning					<u>(1,226,882)</u>
Net Position (Deficit), Ending					<u>\$ (1,297,514)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS				
Cash and Cash Equivalents	\$ 26,917	15,505	-	127
Accounts Receivable				
Due from Other Governments	493	-	11,073	1,287
Due from Other Funds	7,751	-	-	-
Total Assets	\$ 35,161	15,505	11,073	1,414
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 632	-	-	-
Accrued Expenditures	39,352	-	3,322	1,414
Due to Other Funds	-	-	7,751	-
Total Liabilities	39,984	-	11,073	1,414
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	15,505	-	-
Capital Outlay	-	-	-	-
Unassigned (Deficit)	(4,823)	-	-	-
Total Fund Balance	(4,823)	15,505	-	-
Total Liabilities and Fund Balances	\$ 35,161	15,505	11,073	1,414

The accompanying notes are an integral part of these financial statements

Literacy for Children 27107	Public School Capital Outlay 31200	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Total
-	-	42,563	-	85,112
-	-	-	-	12,853
-	-	-	-	7,751
-	-	42,563	-	105,716
-	-	-	-	632
-	-	-	-	44,088
-	-	-	-	7,751
-	-	-	-	52,471
-	-	-	-	15,505
-	-	42,563	-	42,563
-	-	-	-	(4,823)
-	-	42,563	-	53,245
-	-	42,563	-	105,716

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 53,245**

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

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

Capital Assets	23,261	
Accumulated Depreciation	<u>(23,261)</u>	-

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds		256,932
--	--	---------

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(16,560)
--	--	----------

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(1,591,131)</u>
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Net Position (Deficit)-Total Governmental Activities		<u>\$ (1,297,514)</u>
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The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	1,148,330	6,855	-	-
Contributions and Donations	7,453	-	-	-
Federal Grant	-	-	55,505	32,581
Miscellaneous Income	18,195	-	-	-
Total Revenues	<u>1,173,978</u>	<u>6,855</u>	<u>55,505</u>	<u>32,581</u>
EXPENDITURES				
Current:				
Instruction	518,470	2,616	55,505	29,467
Support Services:				
Students	71,557	-	-	3,114
Instruction	21,035	-	-	-
General Administration	92,896	-	-	-
School Administration	144,865	-	-	-
Central Services	118,291	-	-	-
Operation & Maintenance of Plant	224,738	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,191,852</u>	<u>2,616</u>	<u>55,505</u>	<u>32,581</u>
Net Changes in Fund Balances	<u>(17,874)</u>	<u>4,239</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>13,051</u>	<u>11,266</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (4,823)</u>	<u>15,505</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Literacy for Children 27107	Public School Capital Outlay 31200	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Total
-	-	106,166	-	106,166
3,655	127,739	-	4,750	1,291,329
-	-	-	-	7,453
-	-	-	-	88,086
-	-	-	-	18,195
<u>3,655</u>	<u>127,739</u>	<u>106,166</u>	<u>4,750</u>	<u>1,511,229</u>
-	-	-	-	606,058
-	-	-	-	74,671
3,655	-	-	-	24,690
-	-	-	-	92,896
-	-	-	-	144,865
-	-	-	-	118,291
-	-	-	-	224,738
-	127,739	63,603	4,750	196,092
<u>3,655</u>	<u>127,739</u>	<u>63,603</u>	<u>4,750</u>	<u>1,482,301</u>
-	-	42,563	-	28,928
-	-	-	-	24,317
-	-	42,563	-	53,245

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 28,928**

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

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 capital outlay exceeds
depreciation for the period

Depreciation Expense (6,704)

Changes in deferred outflows of resources-pension related,
deferred inflows of resources-pension related, and the net
pension liability

(92,856)

Change in Net Position-Total Governmental Activities **\$ (70,632)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ -
Total Assets	<u>\$ -</u>
LIABILITIES	
Deposits Held for Others	\$ -
Total Liabilities	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 25,977	-	(25,977)	-
Total Assets	<u>\$ 25,977</u>	<u>-</u>	<u>(25,977)</u>	<u>-</u>
 LIABILITIES				
Deposits Held for Others	\$ 25,977	-	(25,977)	-
Total Liabilities	<u>\$ 25,977</u>	<u>-</u>	<u>(25,977)</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Sage Montessori Charter School’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Sage Montessori Charter School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Sage Montessori Charter School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
-----------------------------------	---------

Capital assets for Sage Montessori Charter School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 23,261	-	-	23,261
<i>Total</i>	<u>23,261</u>	<u>-</u>	<u>-</u>	<u>23,261</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(16,557)	(6,704)	-	(23,261)
<i>Total</i>	<u>(16,557)</u>	<u>(6,704)</u>	<u>-</u>	<u>(23,261)</u>
Capital Assets, Net	<u>\$ 6,704</u>	<u>(6,704)</u>	<u>-</u>	<u>-</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following function:

Operations and Maintenance of Plant	<u>\$ 6,704</u>
Total	<u>\$ 6,704</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

Sage Montessori Charter School leased equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$275,000. The School terminated their lease as of June 30, 2017 upon closure of the School.

In December 2014, the School ceased making payments on one of its building leases and subsequently vacated the property. The lease spanned from August 1, 2012 through June 30, 2017, and provided for annual rents of \$233,036 in fiscal year 2015, \$239,984 in fiscal year 2016, and \$246,932 in fiscal year 2017. On November 16, 2016, a lawsuit was filed by POC Properties, LLC against Sage for breaching the lease. Sage has asserted defenses to liability because the property was not suitable for Sage’s uses and POC may have breached its obligations under the lease. If the School is liable, the damages awarded likely would be rent the School owed under the lease from November 1, 2014 through the date of any judgment or the end of the lease, whichever is earlier, plus late charges and maintenance charges. The estimated liability would be approximately \$650,000 excluding the maintenance charges as they cannot be estimated. On June 8, 2017, the School’s attorney informed the POC Properties counsel that the School closed down and does not have funding and there are no longer contacts at the School. In response, counsel for POC requested a consent to judgment but the School’s attorney could not take action without the School’s instruction. There has been no correspondence since June 2017. The School has not recorded a liability related to this issue.

CenturyLink provided fiber optic internet service to the School while at the School’s previous location under a multi-year contract. When the School relocated, CenturyLink informed the School that CenturyLink could not provide service to that new location and the School did not receive service from January of 2015 through May of 2016. The School stopped paying pursuant to the contract beginning in November of 2015. CenturyLink took the position that as of May 2016, the School owed \$7,443 pursuant to the contract plus an additional \$21,632 early termination charge. On May 16, 2016, the School sent a letter to CenturyLink disputing those charges. CenturyLink has not responded. The School has not recorded a liability related to this issue.

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Sage Montessori Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Sage Montessori Charter School paid employee and employer contributions of \$72,695 and \$87,759.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Sage Montessori Charter School reported a liability of \$1,591,131 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Sage Montessori Charter School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Sage Montessori Charter School’s proportion was 0.02211%, which was an increase of 0.0003% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Sage Montessori Charter School recognized pension expense of \$166,056. At June 30, 2017, Sage Montessori Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,903	(15,134)
Changes in assumptions	32,389	-
Net difference between projected and actual earnings on pension plan investments	94,978	-
Changes in proportion and differences between Sage Montessori Charter School’s contributions and proportionate share of contributions	49,967	(1,426)
Sage Montessori Charter School’s contributions subsequent to the measurement date	<u>72,695</u>	<u>-</u>
Total	<u>\$ 256,932</u>	<u>(16,560)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$72,695 reported as deferred outflows of resources related to pensions resulting from Sage Montessori Charter School 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	45,452
2019		50,169
2020		48,895
2021		<u>23,161</u>
Total	\$	<u>167,677</u>

Sensitivity of Sage Montessori Charter School’s proportionate share of the net pension liability to changes in the discount rate. The following presents the Sage Montessori Charter School proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Sage Montessori Charter 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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
The School’s proportionate share of the net pension liability	<u>\$ 2,107,417</u>	<u>1,591,131</u>	<u>1,162,761</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Sage Montessori Charter School owed \$18,302 to ERB for fiscal year 2017 contributions.

NOTE 5. BUDGETARY OVERAGES

Sage Montessori Charter School has expended in excess of the budget in the following fund and function:

Fund 24106 – IDEA B Fund	
Support Services	\$533

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 6. DEFICIT FUND BALANCE

The following fund had a deficit fund balance at June 30, 2017:

Operational – 11000	\$4,823
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NOTE 7. SCHOOL CLOSURE

The school year ending June 30, 2017 is the final year of operation of Sage Montessori Charter School. Subsequent to year end the New Mexico Public Education Department (PED) is in the process of closing out the School's governmental funds.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	Fiscal Year	30-Jun		
		2017	2016	2015
	Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)		0.02211%	0.02181%	0.02065%
School's Proportionate Share of Net Pension Liability (Asset)	\$	1,591	1,413	1,178
School's Covered-Employee Payroll	\$	606	595	569
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	237.23%	206.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Sage Montessori Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ 87	88	73
Contributions in Relation to the Contractually Required Contribution	87	88	73
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Sage Montessori Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Contributions and Donations	\$ -	7,453	7,453	-
State Grant	1,459,036	1,148,330	1,148,330	-
Miscellaneous Income	-	18,335	18,195	(140)
Total Revenues	1,459,036	1,174,118	1,173,978	(140)
EXPENDITURES				
Current:				
Instruction	764,323	551,612	550,433	1,179
Support Services:				
Students	142,720	81,788	80,726	1,062
Instruction	27,000	22,221	22,354	(133)
General Administration	47,000	107,888	106,493	1,395
School Administration	145,449	145,921	145,597	324
Central Services	105,694	122,764	123,243	(479)
Operation & Maintenance of Plant	266,850	216,837	214,239	2,598
Total Expenditures	1,499,036	1,249,031	1,243,085	5,946
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(40,000)	(74,913)	(69,107)	5,806
Other Financing Sources (Uses):				
Designated Cash	40,000	74,913	-	(74,913)
Total Other Financing Sources (Uses):	40,000	74,913	-	(74,913)
Net Changes in Fund Balances	-	-	(69,107)	(69,107)
Cash or Fund Balances - Beginning of Year	-	-	13,051	13,051
Cash or Fund Balances - End of Year	\$ -	-	(56,056)	(56,056)
Reconciliation to GAAP Basis:				
Net change in fund balance			\$ (69,107)	
Adjustments to Revenues			-	
Adjustments to Expenditures			51,233	
NET CHANGE IN FUND BALANCE			\$ (17,874)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 6,920	4,522	6,855	2,333
Total Revenues	<u>6,920</u>	<u>4,522</u>	<u>6,855</u>	<u>2,333</u>
EXPENDITURES				
Current:				
Instruction	13,081	23,855	10,683	13,172
Total Expenditures	<u>13,081</u>	<u>23,855</u>	<u>10,683</u>	<u>13,172</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(6,161)</u>	<u>(19,333)</u>	<u>(3,828)</u>	<u>15,505</u>
Other Financing Sources (Uses):				
Designated Cash	6,161	19,333	-	(19,333)
Total Other Financing Sources (Uses):	<u>6,161</u>	<u>19,333</u>	<u>-</u>	<u>(19,333)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,828)</u>	<u>(3,828)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>11,266</u>	<u>11,266</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>7,438</u>	<u>7,438</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,828)	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>8,067</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 4,239</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 25,972	55,505	44,431	(11,074)
Total Revenues	<u>25,972</u>	<u>55,505</u>	<u>44,431</u>	<u>(11,074)</u>
EXPENDITURES				
Current:				
Instruction	25,972	55,505	55,505	-
Total Expenditures	<u>25,972</u>	<u>55,505</u>	<u>55,505</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(11,074)	(11,074)
Net Changes in Fund Balances	-	-	(11,074)	(11,074)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,074)</u>	<u>(11,074)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (11,074)	
Adjustments to Revenues			11,074	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 33,114	32,581	31,294	(1,287)
Total Revenues	<u>33,114</u>	<u>32,581</u>	<u>31,294</u>	<u>(1,287)</u>
EXPENDITURES				
Current:				
Instruction	30,000	30,000	29,467	533
Support Services:				
Students	3,114	2,581	3,114	(533)
Total Expenditures	<u>33,114</u>	<u>32,581</u>	<u>32,581</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(1,287)	(1,287)
Net Changes in Fund Balances	-	-	(1,287)	(1,287)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,287)</u>	<u>(1,287)</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ (1,287)	
Adjustments to Revenues			1,287	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Literacy for Children 27107
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 3,655	3,655	3,655	-
Total Revenues	<u>3,655</u>	<u>3,655</u>	<u>3,655</u>	<u>-</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	3,655	3,655	3,655	-
Total Expenditures	<u>3,655</u>	<u>3,655</u>	<u>3,655</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	127,739	127,739	-
Total Revenues	<u>-</u>	<u>127,739</u>	<u>127,739</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	127,739	127,739	-
Total Expenditures	<u>-</u>	<u>127,739</u>	<u>127,739</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Property Taxes	\$ 109,702	109,702	106,166	(3,536)
Total Revenues	<u>109,702</u>	<u>109,702</u>	<u>106,166</u>	<u>(3,536)</u>
EXPENDITURES				
Capital Outlay	109,702	109,702	63,603	46,099
Total Expenditures	<u>109,702</u>	<u>109,702</u>	<u>63,603</u>	<u>46,099</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	42,563	42,563
Net Changes in Fund Balances	-	-	42,563	42,563
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>42,563</u>	<u>42,563</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 42,563	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 42,563</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 31700
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 13,261	16,914	4,750	(12,164)
Total Revenues	<u>13,261</u>	<u>16,914</u>	<u>4,750</u>	<u>(12,164)</u>
EXPENDITURES				
Capital Outlay	13,261	16,914	4,750	12,164
Total Expenditures	<u>13,261</u>	<u>16,914</u>	<u>4,750</u>	<u>12,164</u>
<i>Excess (Deficiency) of Revenues</i> <i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i> <i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -
Total Cash per Schedule of Cash Accounts:				\$ 111,184
Less: FDIC coverage:				<u>(111,184)</u>
Uninsured Public Funds:				-
Collateral Requirement:				-
Pledged Collateral Held by Pledging Financial Institution:				<u>-</u>
Balance Over Collateralized:				\$ -
Balance Uninsured and Uncollateralized at June 30, 2017:				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 111,184
<i>Total on Deposit</i>	111,184
Reconciling Items	(26,072)
Reconciled Balance June 30, 2017	85,112
Less Agency Funds	-
<i>Total Cash</i>	\$ 85,112

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Non-Instruct. Fund 23000	Federal Projects Account 24000
Cash, June 30, 2016	\$ 63,510	19,333	25,977	-
Add:				
2016-17 revenues	1,173,978	6,855	-	75,725
Total Cash Available	1,237,488	26,188	25,977	75,725
Less:				
2016-17 expenditures	(1,243,085)	(10,683)	(25,977)	(88,085)
Receivables/Payables	39,352	-	-	4,736
Outstanding Loans	(7,751)	-	-	7,751
Cash June 30, 2017	26,004	15,505	-	127
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	913	-	-	-
Cash Per Books	26,917	15,505	-	127
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(31,740)	-	-	(127)
Fund Balance, Modified Accrual Basis	\$ (4,823)	15,505	-	-

The accompanying notes are an integral part of these financial statements

<u>State Account 27000</u>	<u>Public School Capital Outlay 31200</u>	<u>Capital Improvements HB-33 31600</u>	<u>Capital Improvements SB-9 31700</u>	<u>Total</u>
-	-	-	-	108,820
<u>3,655</u>	<u>127,739</u>	<u>106,166</u>	<u>4,750</u>	<u>1,498,868</u>
3,655	127,739	106,166	4,750	1,607,688
(3,655)	(127,739)	(63,603)	(4,750)	(1,567,577)
-	-	-	-	44,088
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	42,563	-	84,199
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>913</u>
<u>-</u>	<u>-</u>	<u>42,563</u>	<u>-</u>	<u>85,112</u>
			Less - Agency Fund:	-
				<u>\$ 85,112</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,867)</u>
<u>-</u>	<u>-</u>	<u>42,563</u>	<u>-</u>	<u>\$ 53,245</u>

SANDOVAL ACADEMY FOR BILINGUAL EDUCATION

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets:

Cash and Cash Equivalents	\$ 28,410
Receivables	
Due from Other Governments	2,966
Total Current Assets	<u>31,376</u>

Deferred Outflows - Pension Related	<u>614,046</u>
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LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Current Liabilities:

Accounts Payable	913
Accrued Expenditures	68,366
Due to Other Governments	40,000
Total Current Liabilities	<u>109,279</u>

Noncurrent Liabilities:

Net Pension Liability	752,747
Total Noncurrent Liabilities	<u>752,747</u>
Total Liabilities	<u>862,026</u>

Deferred Inflows - Pension Related	<u>7,160</u>
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NET POSITION (DEFICIT)

Restricted	12,881
Unrestricted (Deficit)	<u>(236,645)</u>
Total Net Position (Deficit)	<u>\$ (223,764)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 581,911	667	7,968	-	(573,276)
Support Services:					
Students	38,656	-	-	-	(38,656)
Instruction	1,550	-	-	-	(1,550)
General Administration	13,720	-	-	-	(13,720)
School Administration	184,698	-	-	-	(184,698)
Central Services	49,064	-	-	-	(49,064)
Operation & Maintenance of Plant	177,110	-	-	-	(177,110)
Total Governmental Activities	<u>\$ 1,046,709</u>	<u>667</u>	<u>7,968</u>	<u>-</u>	<u>(1,038,074)</u>
			General Revenues:		
			State Equalization Guarantee	\$ 876,630	
			Miscellaneous	300	
			Total General Revenues	<u>876,930</u>	
			Change in Net Position		(161,144)
			Net Position (Deficit), Beginning, as Previously Reported		(104,154)
			Restatement (Note 5)		41,534
			Net Position (Deficit), Beginning, as Restated		<u>(62,620)</u>
			Net Position (Deficit), Ending		<u>\$ (223,764)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	Public School Capital Outlay 31200	Total
ASSETS					
Cash and Cash Equivalents	\$ 15,529	6,297	-	6,584	28,410
Accounts Receivable					
Due from Other Governments	-	-	2,966	-	2,966
Due from Other Funds	2,966	-	-	-	2,966
Total Assets	\$ 18,495	6,297	2,966	6,584	34,342
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 913	-	-	-	913
Accrued Expenditures	68,366	-	-	-	68,366
Due to Other Governments	40,000	-	-	-	40,000
Due to Other Funds	-	-	2,966	-	2,966
Total Liabilities	109,279	-	2,966	-	112,245
Fund Balances					
Fund Balance:					
Restricted for:					
Instruction	-	6,297	-	-	6,297
Capital Improvements	-	-	-	6,584	6,584
Unassigned (Deficit)	(90,784)	-	-	-	(90,784)
Total Fund Balance (Deficit)	(90,784)	6,297	-	6,584	(77,903)
Total Liabilities and Fund Balance	\$ 18,495	6,297	2,966	6,584	34,342

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance (Deficit) - Total Governmental Funds	\$ (77,903)
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds	614,046
Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	(7,160)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	<u>(752,747)</u>
Net Position (Deficit) - Total Governmental Activities	<u><u>\$ (223,764)</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	Public School Capital Outlay 31200	Total
REVENUES					
State Grant	\$ 876,630	1,289	-	58,900	936,819
Federal Grant	-	-	6,679	-	6,679
Charges for Services	667	-	-	-	667
Miscellaneous Income	300	-	-	-	300
Total Revenues	877,597	1,289	6,679	58,900	944,465
EXPENDITURES					
Current:					
Instruction	444,569	-	-	-	444,569
Support Services:					
Students	25,703	-	6,679	-	32,382
Instruction	1,550	-	-	-	1,550
General Administration	13,720	-	-	-	13,720
School Administration	142,220	-	-	-	142,220
Central Services	49,064	-	-	-	49,064
Operation & Maintenance of Plant	175,809	-	-	-	175,809
Capital Outlay	-	-	-	58,900	58,900
Total Expenditures	852,635	-	6,679	58,900	918,214
Net Changes in Fund Balance	24,962	1,289	-	-	26,251
Fund Balance (Deficit) - Beginning of Year	(115,746)	5,008	-	6,584	(104,154)
Fund Balance (Deficit) - End of Year	\$ (90,784)	6,297	-	6,584	(77,903)

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance-Total Governmental Funds	\$ 26,251
Changes in long-term liabilities	
Change in the net pension liability	<u>(187,395)</u>
Change in Net Position-Total Governmental Activities	<u><u>\$ (161,144)</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 4,966</u>
Total Assets	<u><u>\$ 4,966</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 4,966</u>
Total Liabilities	<u><u>\$ 4,966</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 1,464	12,426	(8,924)	4,966
Total Assets	<u>\$ 1,464</u>	<u>12,426</u>	<u>(8,924)</u>	<u>4,966</u>
LIABILITIES				
Deposits Held for Others	\$ 1,464	12,426	(8,924)	4,966
Total Liabilities	<u>\$ 1,464</u>	<u>12,426</u>	<u>(8,924)</u>	<u>4,966</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy of Bilingual Education
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Sandoval Academy of Bilingual Education’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Sandoval Academy of Bilingual Education does not capitalize any interest with regard to its capital assets.

For the fiscal year ended June 30, 2017, Sandoval Academy of Bilingual Education did not have any capital assets.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. COMMITMENTS AND LIABILITIES

The Sandoval Academy of Bilingual Education leased equipment and facilities under long-term non-cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$135,397. The Sandoval Academy of Bilingual Education’s minimum future payments on this lease are as follows:

Year Ending June 30:	
2018	\$ 180,000
2019	197,500
2020	212,500
Total	<u>\$ 590,000</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy of Bilingual Education
Notes to the Financial Statements
June 30, 2017**

NOTE 3. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Sandoval Academy of Bilingual Education and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Sandoval Academy for Bilingual Education School paid employee and employer contributions of \$58,368. Sandoval Academy for Bilingual Education School did not have employee and employer contributions for the fiscal year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Sandoval Academy for Bilingual Education School reported a liability of \$752,747 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Sandoval Academy for Bilingual Education School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Sandoval Academy of Bilingual Education’s proportion was 0.01046%, which was an increase of 0.01046% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Sandoval Academy for Bilingual Education School recognized pension expense of \$245,754. As of June 30, 2017, Sandoval Academy for Bilingual Education School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy of Bilingual Education
Notes to the Financial Statements
June 30, 2017**

NOTE 3. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,266	(7,160)
Changes in assumptions	15,323	-
Net difference between projected and actual earnings on pension plan investments	44,933	-
Changes in proportion and differences between the Sandoval Academy of Bilingual Education’s contributions and proportionate share of contributions	492,156	-
Sandoval Academy of Bilingual Education’s contributions subsequent to the measurement date	<u>58,368</u>	<u>-</u>
Total	<u>\$ 614,046</u>	<u>(7,160)</u>

The amount of \$58,368 reported as deferred outflows of resources related to pensions resulting from Sandoval Academy of Bilingual Education contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 188,607
2019	190,870
2020	158,084
2021	<u>10,957</u>
Total	<u>\$ 548,518</u>

Sensitivity of Sandoval Academy of Bilingual Education’s proportionate share of the net pension liability to changes in the discount rate. The following presents the Sandoval Academy of Bilingual Education proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Sandoval Academy of Bilingual Education 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:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy of Bilingual Education
Notes to the Financial Statements
June 30, 2017**

NOTE 3. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of Sandoval Academy of Bilingual Education proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate as of June 30, 2016. In particular, the table presents the (employer’s) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Sandoval Academy of Bilingual Education proportionate share of the net pension liability	<u>\$ 996,996</u>	<u>752,747</u>	<u>550,089</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Sandoval Academy of Bilingual Education owed \$16,652 to ERB for fiscal year 2017 contributions.

NOTE 4. DEFICIT FUND BALANCE

The following fund had a deficit fund balance at June 30, 2017:

Operational	\$ 90,784
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Sandoval Academy for Bilingual Education is addressing the deficit fund balance and is planning on taking the appropriate action to eliminate the deficit balance.

NOTE 5. RESTATEMENT

As a result of implementation of GASB No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, net position at June 30, 2016 was restated in the amount of \$41,534.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy of Bilingual Education
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	30-Jun			
	Fiscal Year	2017	2016	2015
Measurement Date	2016	2015	2014	
Sandoval Academy of Bilingual Education School's Proportion of the Net Pension Liability (Asset)	0.01046%	0.0000%	0.0000%	
Sandoval Academy of Bilingual Education School's Proportionate Share of Net Pension Liability (Asset)	\$ 753	-	-	
Sandoval Academy of Bilingual Education School's Covered-Employee Payroll	\$ 287	-	-	
Sandoval Academy of Bilingual Education School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	262.59%	0.00%	0.00%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.58%	63.97%	66.54%	

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Sandoval Academy of Bilingual Education is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy of Bilingual Education
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ -	63	58
Contributions in Relation to the Contractually Required Contribution	-	63	58
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Sandoval Academy of Bilingual Education is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 981,968	876,586	876,586	-
Charges for Services	-	941	1,011	70
Total Revenues	<u>981,968</u>	<u>877,527</u>	<u>877,597</u>	<u>70</u>
EXPENDITURES				
Current:				
Instruction	500,906	448,242	430,627	17,615
Support Services:				
Students	5,382	28,688	26,707	1,981
Instruction	7,055	5,055	4,980	75
General Administration	14,000	13,878	13,720	158
School Administration	151,821	142,343	142,370	(27)
Central Services	74,619	63,308	49,064	14,244
Operation & Maintenance of Plant	228,185	176,013	173,926	2,087
Total Expenditures	<u>981,968</u>	<u>877,527</u>	<u>841,394</u>	<u>36,133</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>36,203</u>	<u>36,203</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>36,203</u>	<u>36,203</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(115,746)</u>	<u>(115,746)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(79,543)</u>	<u>(79,543)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 36,203	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>(11,241)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 24,962</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	1,289	1,289	-
Total Revenues	-	1,289	1,289	-
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	1,289	1,289	-
Net Changes in Fund Balances	-	1,289	1,289	-
Cash or Fund Balances - Beginning of Year	-	-	5,008	5,008
Cash or Fund Balances - End of Year	\$ -	1,289	6,297	5,008
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 1,289	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 1,289	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 5,315	9,556	5,999	(3,557)
Total Revenues	5,315	9,556	5,999	(3,557)
EXPENDITURES				
Current:				
Instruction	315	-	-	-
Support Services:				
Students	5,000	9,556	6,679	2,877
Total Expenditures	5,315	9,556	6,679	2,877
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(680)	(680)
Net Changes in Fund Balances	-	-	(680)	(680)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(680)	(680)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (680)	
Adjustments to Revenues			680	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	58,900	80,988	22,088
Total Revenues	<u>-</u>	<u>58,900</u>	<u>80,988</u>	<u>22,088</u>
EXPENDITURES				
Capital Outlay	-	58,900	58,900	-
Total Expenditures	<u>-</u>	<u>58,900</u>	<u>58,900</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	22,088	22,088
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>22,088</u>	<u>22,088</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>6,584</u>	<u>6,584</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>28,672</u>	<u>28,672</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 22,088	
Adjustments to Revenues			(22,088)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
N / A	N / A	N / A	N / A	\$ -
				-
				-
				<u>\$ -</u>

Total Cash per Schedule of Cash Accounts:	\$	34,240
Less: FDIC coverage:		<u>(34,240)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		<u>-</u>
Balance Over Collateralized:	\$	<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	\$	<u>-</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	<u>\$ 34,240</u>
<i>Total on Deposit</i>	34,240
Reconciling Items	<u>(864)</u>
Reconciled Balance June 30, 2017	<u>33,376</u>
Less Agency Funds	<u>(4,966)</u>
<i>Total Cash</i>	<u><u>\$ 28,410</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sandoval Academy for Bilingual Education
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Non-Instruct. Fund 23000	Federal Projects Account 24000	Public School Capital Outlay 31200	Total
Cash, June 30, 2016	\$ 34,735	5,008	1,464	-	-	41,207
Add:						
2016-17 revenues	877,597	1,289	12,426	5,999	80,988	978,299
Total Cash Available	912,332	6,297	13,890	5,999	80,988	1,019,506
Less:						
2016-17 expenditures	(841,394)	-	(8,924)	(6,679)	(58,900)	(915,897)
Receivables/Payables	68,366	-	-	-	-	68,366
Outstanding Loans	(2,966)	-	-	2,966	-	-
Cash June 30, 2017	136,338	6,297	4,966	2,286	22,088	171,975
Fund Balance Reconciliations to GAAP Basis:						
Audit reclassifications to cash	(120,809)	-	-	(2,286)	(15,504)	(138,599)
Cash Per Books	15,529	6,297	4,966	-	6,584	33,376
					Less: Agency Fund	(4,966)
						<u>\$ 28,410</u>
Fund Balance Reconciliation to GAAP Basis:						
Modified Accrual Adjustments	(106,313)	-	(4,966)	-	-	(111,279)
Fund Balance, Modified Accrual Basis	<u>\$ (90,784)</u>	<u>6,297</u>	<u>-</u>	<u>-</u>	<u>6,584</u>	<u>(77,903)</u>

The accompanying notes are an integral part of these financial statements

SCHOOL OF DREAMS ACADEMY

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current assets:

Cash and Cash Equivalents	\$ 452,384
Receivables	
Due from Other Governments	95,295
Total current assets	<u>547,679</u>

Noncurrent assets:

Capital Assets	
Construction in Progress	2,617,702
Furniture, Fixtures, and Equipment	464,526
Less: Accumulated Depreciation	<u>(339,222)</u>
Total Capital Assets	<u>2,743,006</u>

Restricted cash	15,000
Total Noncurrent Assets	<u>2,758,006</u>

Total Assets	<u>3,305,685</u>
---------------------	------------------

Deferred Outflows - Pension Related	<u>911,589</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	23,815
Deferred Revenue	25,000
Current Portion of Compensated Absences	18,161
Total Current Liabilities	<u>66,976</u>

Noncurrent Liabilities:

Note Payable	2,403,163
Net Pension Liability	3,886,794
Total Noncurrent Liabilities	<u>6,289,957</u>

Total Liabilities	<u>6,356,933</u>
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Deferred Inflows - Pension Related	<u>159,787</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	339,843
Restricted	447,635
Unrestricted (Deficit)	<u>(3,086,924)</u>

Total Net Position (Deficit)	<u>\$ (2,299,446)</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 2,119,760	11,865	489,918	-	(1,617,977)
Support Services:					
Students	640,120	-	-	-	(640,120)
Instruction	100	-	-	-	(100)
General Administration	80,984	-	-	-	(80,984)
School Administration	687,958	-	-	-	(687,958)
Central Services	60,116	-	-	-	(60,116)
Operation & Maintenance of Plant	881,528	-	-	-	(881,528)
Community Services Operations	4,542	-	-	-	(4,542)
Student Transportation	138,661	-	102,943	-	(35,718)
Food Services	152,924	-	-	-	(152,924)
Facilities Materials, Supplies & Other Services	506,217	-	-	362,235	(143,982)
Debt	40,449	-	-	-	(40,449)
Total Governmental Activities	\$ 5,313,359	11,865	592,861	362,235	(4,346,398)
			General Revenues:		
			State Equalization Guarantee	\$ 3,615,750	
			Miscellaneous	124,506	
			Total General Revenues	3,740,256	
			Change in Net Position		(606,142)
			Net Position (Deficit), Beginning		(1,693,304)
			Net Position (Deficit), Ending		\$ (2,299,446)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154
ASSETS							
<i>Assets</i>							
Cash and Cash Equivalents	\$ 15,921	-	13,791	-	-	-	-
Restricted Cash	-	-	-	-	-	-	-
Accounts receivable							
Due from Government	-	-	-	10,939	19,245	19,932	-
Due from other funds	45,178	-	-	-	-	-	-
Total Assets	\$ 61,099	-	13,791	10,939	19,245	19,932	-
LIABILITIES AND FUND BALANCES							
<i>Liabilities:</i>							
Accounts payable	\$ 23,815	-	-	-	-	-	-
Unspent grant revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	4,322	20,825	20,031	-
Total Liabilities	23,815	-	-	4,322	20,825	20,031	-
<i>Fund Balances</i>							
Fund Balance (Deficit):							
Non Spendable							
Restricted for:							
Instruction	-	-	13,791	-	-	-	-
Capital improvements	-	-	-	-	-	-	-
Unassigned	37,284	-	-	6,617	(1,580)	(99)	-
Total Fund Balance	37,284	-	13,791	6,617	(1,580)	(99)	-
<i>Total Liabilities and Fund Balance</i>	\$ 61,099	-	13,791	10,939	19,245	19,932	-

The accompanying notes are an integral part of these financial statements

Title XIX Medicaid 25153	Dual Credit 27103	Public Schools Capital Outlay 31200	Special Capital Outlay 31400	HB 33 Capital Outlay 31600	SB 9 Capital Improvements 31700	Foundation	Total Government
11,391	-	-	-	377,274	-	34,007	452,384
-	-	-	-	-	-	15,000	15,000
-	-	-	-	45,179	-	-	95,295
-	-	-	-	-	-	-	45,178
<u>11,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,453</u>	<u>-</u>	<u>49,007</u>	<u>607,857</u>
-	-	-	-	-	-	-	23,815
-	-	-	-	-	-	25,000	25,000
-	-	-	-	-	-	-	45,178
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>93,993</u>
11,391	-	-	-	-	-	-	25,182
-	-	-	-	422,453	-	-	422,453
-	-	-	-	-	-	24,007	66,229
<u>11,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,453</u>	<u>-</u>	<u>24,007</u>	<u>513,864</u>
<u>11,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,453</u>	<u>-</u>	<u>49,007</u>	<u>607,857</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund balances - Total Governmental Funds **\$ 513,864**

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

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

Capital assets	3,082,228	
Accumulated depreciation	<u>(339,222)</u>	
		2,743,006

Defined benefit pension plan deferred outflows are not financial resources and, therefore, and not reported in the funds		911,589
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Compensated absences are not due in the current period and, therefore, are not reported in the funds.		(18,161)
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Long-term liabilities are not due in the current period and, therefore, is not reported in the funds		
Long term debt	(2,403,163)	
Net pension liabilities	<u>(3,886,794)</u>	
		(6,289,957)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		<u>(159,787)</u>
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Net Position (Deficit) -Total Governmental Activities **\$ (2,299,446)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154
Revenues:							
Property Taxes	\$ -	-	-	-	-	-	-
State grant	3,615,750	102,943	31,301	-	-	-	-
Federal grant	-	-	-	76,656	61,310	72,735	10,769
Charges for services	11,333	-	-	532	-	-	-
Miscellaneous	19,787	-	-	-	-	-	-
Total Revenues	3,646,870	102,943	31,301	77,188	61,310	72,735	10,769
Expenditures:							
Current:							
Instruction	2,145,396	-	23,552	-	56,832	-	10,769
Support Services:							
Students	558,524	-	-	-	-	65,377	-
Instruction	100	-	-	-	-	-	-
General Administration	46,158	-	-	-	-	-	-
School Administration	665,561	-	-	-	-	-	-
Central Services	58,310	-	-	-	-	-	-
Operation & Maintenance of Plant	877,748	-	-	-	-	-	-
Student Transportation	-	138,661	-	-	-	-	-
Food Services Operations	82,353	-	-	70,571	-	-	-
Community Services	-	-	-	-	4,478	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	4,434,150	138,661	23,552	70,571	61,310	65,377	10,769
Other financing sources (uses):							
Operating transfers	-	-	-	-	-	-	-
Proceeds from Debt	-	-	-	-	-	-	-
Total other financing sources (uses):	-	-	-	-	-	-	-
Net Changes in Fund Balances	(787,280)	(35,718)	7,749	6,617	-	7,358	-
Fund Balances (Deficit) - Beginning of Year	824,564	35,718	6,042	-	(1,580)	(7,457)	-
Fund Balances (Deficit) - End of Year	\$ 37,284	-	13,791	6,617	(1,580)	(99)	-

The accompanying notes are an integral part of these financial statements

Title XIX Medicaid 25153	Dual Credit 27103	Public Schools Capital Outlay 31200	Special Capital Outlay 31400	HB 33 Capital Outlay 31600	SB 9 Capital Improvements 31700	Foundation	Total Government
-	-	-	-	166,677	-	-	166,677
-	7,427	362,235	-	45,179	-	-	4,164,835
17,864	-	-	-	-	-	-	239,334
-	-	-	-	-	-	-	11,865
-	-	-	-	-	-	104,719	124,506
<u>17,864</u>	<u>7,427</u>	<u>362,235</u>	<u>-</u>	<u>211,856</u>	<u>-</u>	<u>104,719</u>	<u>4,707,217</u>
-	7,427	-	-	-	-	-	2,243,976
8,333	-	-	-	-	-	-	632,234
-	-	-	-	-	-	-	100
-	-	-	-	-	-	12,429	58,587
-	-	-	-	-	-	-	665,561
-	-	-	-	-	-	-	58,310
-	-	-	-	-	-	-	877,748
-	-	-	-	-	-	-	138,661
-	-	-	-	-	-	-	152,924
-	-	-	-	-	-	-	4,478
-	-	362,235	-	93,897	-	2,532,383	2,988,515
-	-	-	-	-	-	-	-
-	-	-	-	-	-	40,449	40,449
<u>8,333</u>	<u>7,427</u>	<u>362,235</u>	<u>-</u>	<u>93,897</u>	<u>-</u>	<u>2,585,261</u>	<u>7,861,543</u>
-	-	-	60,900	(91,998)	31,098	-	-
-	-	-	-	-	-	2,491,504	2,491,504
-	-	-	60,900	(91,998)	31,098	2,491,504	2,491,504
<u>9,531</u>	<u>-</u>	<u>-</u>	<u>(60,900)</u>	<u>209,957</u>	<u>(31,098)</u>	<u>10,962</u>	<u>(662,822)</u>
<u>1,860</u>	<u>-</u>	<u>-</u>	<u>60,900</u>	<u>212,496</u>	<u>31,098</u>	<u>13,045</u>	<u>1,176,686</u>
<u>11,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,453</u>	<u>-</u>	<u>24,007</u>	<u>513,864</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2017**

Net change in Fund Balances-Total Governmental Funds **\$ (662,822)**

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

Change in compensated absences (7,468)

Change in net pension liability and related pension accounts 49,048

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 capital outlay exceeds depreciation for the period

Capital Outlays	2,532,383	
Depreciation Expense	(25,779)	
Proceeds from Debt	(2,491,504)	
	15,100	15,100

Change in Net Position-Total Governmental Activities **\$ (606,142)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 21,222
Total Assets	<u>\$ 21,222</u>
LIABILITIES	
Deposits Held for Others	\$ 21,222
Total Liabilities	<u>\$ 21,222</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 16,426	27,867	(23,071)	21,222
Total Assets	<u>\$ 16,426</u>	<u>27,867</u>	<u>(23,071)</u>	<u>21,222</u>
LIABILITIES				
Deposits Held for Others	\$ 16,426	27,867	(23,071)	21,222
Total Liabilities	<u>\$ 16,426</u>	<u>27,867</u>	<u>(23,071)</u>	<u>21,222</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The School of Dreams Academy (SODA) defines capital assets as assets with an initial, individual cost of more than \$5,000 and an initial useful life extending beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Furniture, fixtures and equipment	5-10 years
Vehicles	8 years

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets not being Depreciated:</i>				
Construction in progress	\$ 85,319	2,532,383	-	2,617,702
<i>Total</i>	<u>85,319</u>	<u>2,532,383</u>	<u>-</u>	<u>2,617,702</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	248,807	-	-	248,807
Vehicles	215,719	-	-	215,719
<i>Total</i>	<u>464,526</u>	<u>-</u>	<u>-</u>	<u>464,526</u>
<i>Less: Accumulated Depreciation</i>	<u>(313,443)</u>	<u>(25,779)</u>	<u>-</u>	<u>(339,222)</u>
<i>Total</i>	<u>151,083</u>	<u>(25,779)</u>	<u>-</u>	<u>125,204</u>
Capital Assets, Net	<u>\$ 236,402</u>	<u>2,506,604</u>	<u>-</u>	<u>2,743,006</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$ 2,746
School Administration	12,021
Operation & Maintenance of Plant	1,806
Capital Outlay	9,206
Total	<u>\$ 25,779</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

SODA leased buildings and land under short-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$522,693. SODA’s minimum future payments on these leases are as follows:

Year Ending June 30:			
2018		\$	469,515
2019			2,912
Total minimum lease payments		\$	<u>472,427</u>

The school had a compensated absences balance of \$25,629 at the beginning of the fiscal year. Deletions to the balance were \$7,468, which resulted in an ending balance of \$18,161. All of this balance is considered to be current.

On September 28, 2016, the School Of Dreams Foundation entered into a loan agreement with Peoples Bank to rehab portable buildings. The total loan was for a total Principal of \$2,500,000, the note has a maturity of September 28, 2017. No principal payments have been made as of June 30, 2017.

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to School of Dreams Academy and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statue under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, School of Dreams Academy paid employee and employer contributions of \$322,152 and \$214,426.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, School of Dreams Academy reported a liability of \$3,886,794 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

School of Dreams Academy’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, SODA’s proportion was 0.05401% percent, which was an increase of 0.00081% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, School of Dreams Academy recognized pension expense of \$377,689. As of June 30, 2017, School of Dreams Academy reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	16,862	(36,968)
Changes in assumptions	79,120	-
Net difference between projected and actual earnings on pension plan investments	232,009	-
Changes in proportion and differences between SODA contributions and proportionate share of contributions	261,446	(122,819)
SODA contributions subsequent to the measurement date	<u>322,152</u>	<u>-</u>
Total	<u>\$ 911,589</u>	<u>(159,787)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$322,152 reported as deferred outflows of resources related to pensions resulting from School of Dreams Academy’s 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:			
2018	\$	94,155	
2019		179,657	
2020		99,260	
2021		56,578	
Total	\$	<u>429,650</u>	

Sensitivity of SODA’s proportionate share of the net pension liability to changes in the discount rate. The following presents School of Dreams Academy’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the School of Dreams Academy’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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
SODA’s proportionate share of the net pension liability	<u>\$ 5,147,968</u>	<u>3,886,794</u>	<u>2,840,375</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. SODA did not accrue any payables for the pension plan at June 30, 2017. All 10-month teacher contracts for the school year are paid in full by fiscal year end.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 5. DEFICIT FUND BALANCE

The following funds had a deficit balance at June 30, 2017:

24101 Title 1 IASA	\$	1,580
24106 IDEA-B Entitlement		<u>99</u>
	\$	<u>1,679</u>

School of Dreams Academy is addressing the negative fund balances and is planning on taking the appropriate actions to eliminate the negative balances.

NOTE 6. RELATED PARTIES

During the fiscal year, the Business Manager also provided services for Las Montana’s Charter High School.

NOTE 7. OVER EXPENDITURE OF BUDGET

School of Dreams Academy had the following funds with expenditures in excess of the budget during the year ended June 30, 2017:

Fund	Excess of Expenditures over Appropriations
General (11000) Instruction	(154,349)
General (11000) Operation and Maintenance of Plant	(83,033)
Pupil Transportation (13000) Student Transportation	(24,267)

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.05%	0.05%	0.05%
School's Proportionate Share of Net Pension Liability (Asset)	\$	3,887	2,520	2,645
School's Covered-Employee Payroll	\$	2,320	1,497	1,278
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		167.54%	168.34%	206.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for School of Dreams Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of School Contributions
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	168	247	322
Contributions in Relation to the Contractually Required Contribution	<u>168</u>	<u>217</u>	<u>322</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>30</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for School of Dreams Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State grant	\$ 4,315,483	3,982,713	3,982,713	-
Charges for services	-	-	11,333	11,333
Miscellaneous	-	-	19,787	19,787
Total Revenues	4,315,483	3,982,713	4,013,833	31,120
Expenditures:				
Current:				
Instruction	2,699,861	1,977,542	2,131,891	(154,349)
Support Services:				
Students	401,522	682,097	558,524	123,573
Instruction	29,195	100	100	-
General Administration	123,206	46,047	46,044	3
School Administration	507,742	682,045	664,943	17,102
Central Services	70,500	58,310	58,310	-
Operation & Maintenance of Plant	711,282	795,475	878,508	(83,033)
Food Services Operations	20,000	187,779	82,353	105,426
Community Services	14,907	14,907	-	14,907
Total Expenditures	4,578,215	4,444,302	4,420,673	23,629
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(262,732)</u>	<u>(461,589)</u>	<u>(406,840)</u>	<u>54,749</u>
Net Changes in Fund Balances	<u>(262,732)</u>	<u>(461,589)</u>	<u>(406,840)</u>	<u>54,749</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>824,564</u>	<u>824,564</u>
Cash or Fund Balances - End of Year	<u>\$ (262,732)</u>	<u>(461,589)</u>	<u>417,724</u>	<u>879,313</u>
Reconciliation to GAAP Basis:				
<i>Excess Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			(366,963)	
Adjustments to Expenditures			(13,477)	
NET CHANGE IN FUND BALANCE			<u>\$ (787,280)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State grant	\$ 125,957	114,394	114,394	-
Total Revenues	125,957	114,394	114,394	-
Expenditures:				
Current:				
Support Services:				
Student Transportation	125,957	114,394	138,661	(24,267)
Total Expenditures	125,957	114,394	138,761	(24,367)
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(24,367)	(24,367)
Net Changes in Fund Balances	-	-	(24,367)	(24,367)
Cash or Fund Balances - Beginning of Year	-	-	35,718	35,718
Cash or Fund Balances - End of Year	\$ -	-	11,351	11,351
Reconciliation to GAAP Basis:				
<i>Excess Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			(11,351)	
Adjustments to Expenditures				
NET CHANGE IN FUND BALANCE			\$ (35,718)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State grant	\$ 20,840	23,552	31,301	7,749
Total Revenues	20,840	23,552	31,301	7,749
Expenditures:				
Current:				
Instruction	20,840	23,552	23,552	-
Total Expenditures	20,840	23,552	23,552	-
<i>Excess (deficiency) of Revenues Over (Under) Expenditures</i>	-	-	7,749	7,749
Net Changes in Fund Balances	-	-	7,749	7,749
Cash or Fund Balances - Beginning of Year	-	-	6,042	6,042
Cash or fund balances - End of Year	\$ -	-	13,791	13,791
Reconciliation to GAAP Basis:				
<i>Excess Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 7,749	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal grant	\$ -	150,000	77,188	(72,812)
Total Revenues	-	150,000	77,188	(72,812)
Expenditures:				
Current:				
Food Services Operations	150,000	150,000	70,571	79,429
Total Expenditures	150,000	150,000	70,571	79,429
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(150,000)</i>	<i>-</i>	<i>6,617</i>	<i>6,617</i>
Net Changes in Fund Balances	(150,000)	-	6,617	6,617
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ (150,000)	-	6,617	6,617
Reconciliation to GAAP Basis:				
<i>Excess Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 6,617	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal grant	\$ 62,551	177,608	56,480	(121,128)
Total Revenues	<u>62,551</u>	<u>177,608</u>	<u>56,480</u>	<u>(121,128)</u>
Expenditures:				
Current:				
Instruction	62,551	140,108	61,310	78,798
Community Services Operations	-	37,500	-	37,500
Total Expenditures	<u>62,551</u>	<u>177,608</u>	<u>61,310</u>	<u>116,298</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(4,830)	(4,830)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,830)</u>	<u>(4,830)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,580)</u>	<u>(1,580)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(6,410)</u>	<u>(6,410)</u>
Reconciliation to GAAP Basis:				
Excess Revenues Over (Under) Expenditures				
Adjustments to Revenues				
Adjustments to Expenditures			4,830	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ 50,004	100,041	75,239	(24,802)
Total Revenues	<u>50,004</u>	<u>100,041</u>	<u>75,239</u>	<u>(24,802)</u>
Expenditures:				
Current:				
Support Services:				
Students	48,004	100,041	65,377	34,664
General Administration	1,500	1,500	-	1,500
Total expenditures	<u>49,504</u>	<u>101,541</u>	<u>65,377</u>	<u>36,164</u>
<i>Excess (Deficiency) of revenues Over (Under) Expenditures</i>	<u>500</u>	<u>(1,500)</u>	<u>9,862</u>	<u>11,362</u>
Net Changes in Fund Balances	<u>500</u>	<u>(1,500)</u>	<u>9,862</u>	<u>11,362</u>
Cash or fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(7,457)</u>	<u>(7,457)</u>
Cash or fund Balances - End of Year	<u>\$ 500</u>	<u>(1,500)</u>	<u>2,405</u>	<u>3,905</u>
Reconciliation to GAAP Basis:				
<i>Excess Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			(2,504)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 7,358</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ 12,551	12,551	10,769	(1,782)
Total Revenues	12,551	12,551	10,769	(1,782)
Expenditures:				
Current:				
Instruction	12,551	12,551	10,769	1,782
Support Services:				
Total Expenditures	12,551	12,551	10,769	1,782
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess Revenues Over (Under) Expenditures				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 25153
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal grant	\$ 4,800	12,907	17,864	4,957
Charges for services	-	-	-	-
Total Revenues	4,800	12,907	17,864	4,957
Expenditures:				
Current:				
Support Services:				
Students	4,800	12,907	8,333	4,574
Total Expenditures	4,800	12,907	8,333	4,574
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	9,531	9,531
Other Financing Sources (Uses):				
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes in Fund Balances	-	-	9,531	9,531
Cash or Fund Balances - Beginning of Year	-	-	1,860	1,860
Cash or Fund Balances - End of Year	\$ -	-	11,391	11,391
Reconciliation to GAAP Basis:				
<i>Excess Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 9,531	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State Grant	\$ -	8,737	7,427	(1,310)
Total Revenues	<u>-</u>	<u>8,737</u>	<u>7,427</u>	<u>(1,310)</u>
Expenditures:				
Current:				
Instruction	-	8,737	7,427	1,310
Total Expenditures	<u>-</u>	<u>8,737</u>	<u>7,427</u>	<u>1,310</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess Revenues Over (Under) Expenditures				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State Grant	\$ -	362,235	362,235	-
Total Revenues	<u>-</u>	<u>362,235</u>	<u>362,235</u>	<u>-</u>
Expenditures:				
Current:				
Capital outlay	-	362,235	362,235	-
Total Expenditures	<u>-</u>	<u>362,235</u>	<u>362,235</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay 31400
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$ -	-	53,701	53,701
Total Revenues	\$ -	-	53,701	53,701
Expenditures:				
Current:				
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>-</i>	<i>-</i>	<i>53,701</i>	<i>53,701</i>
Other financing sources (uses):				
Operating transfers	-	-	60,900	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	-	-	60,900	-
Net Changes in Fund Balances	-	-	(7,199)	(7,199)
Cash or Fund Balances - Beginning of Year	-	-	60,900	60,900
Cash or Fund Balances - End of Year	\$ -	-	53,701	53,701
Reconciliation to GAAP Basis:				
<i>Excess Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			(53,701)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (60,900)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
HB 33 Capital Outlay 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$ 176,000	176,000	166,677	(9,323)
State grant	-	-	45,179	45,179
Total Revenues	176,000	176,000	211,856	35,856
Expenditures:				
Current:				
Capital Outlay	176,000	176,000	93,897	82,103
Total Expenditures	176,000	176,000	93,897	82,103
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	117,959	117,959
Other Financing Sources (Uses):				
Operating transfers	-	-	(91,998)	-
Total other financing sources (uses):	-	-	(91,998)	-
Net Changes in Fund Balances	-	-	209,957	209,957
Cash or Fund Balances - Beginning of Year	-	-	212,496	212,496
Cash or Fund Balances - End of Year	\$ -	-	422,453	422,453
Reconciliation to GAAP Basis:				
<i>Excess revenues over (under) expenditures</i>				
Adjustments to revenues			-	
Adjustments to expenditures			91,998	
NET CHANGE IN FUND BALANCE			\$ 209,957	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB 9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$ -	47,716	-	(47,716)
Prior Year Balances	65,436	65,436	-	(65,436)
Total Revenues	65,436	113,152	-	(113,152)
Expenditures:				
Current:				
Capital Outlay	65,436	113,152	-	113,152
Total Expenditures	65,436	113,152	-	113,152
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Other Financing Sources (Uses):				
Operating transfers			31,098	-
Total Other Financing Sources (Uses):	-	-	31,098	-
Net Changes in Fund Balances	-	-	(31,098)	(31,098)
Cash or Fund Balances - Beginning of Year	-	-	31,098	31,098
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess Revenues Over (Under) Expenditures</i>				
Adjustments to Revenues			-	
Adjustments to Expenditures			(31,098)	
NET CHANGE IN FUND BALANCE			\$ (31,098)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
The Bank of New York Mellon	FNMA	3138AV6U4	12/1/2026	\$ 315,468
				<u>\$ 315,468</u>
Total cash in bank per Schedule of Cash Accounts:				\$ 672,371
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured public funds:				422,371
Collateral requirement:				211,186
Pledged collateral held by pledging financial institution:				<u>315,468</u>
Balance over-collateralized:				<u>\$ 104,283</u>
Balance uninsured and uncollateralized at June 30, 2017:				<u>\$ 106,903</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 672,371
Checking - Foundation	<u>34,007</u>
<i>Total on Deposit</i>	706,378
Reconciling Items	<u>(232,772)</u>
Reconciled Balance June 30, 2017	<u>473,606</u>
Less Agency Funds	<u>(21,222)</u>
<i>Total Cash</i>	<u><u>\$ 452,384</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Transportation 13000	Instructional Materials 14000	Non Instruct Fund 21000	Non Instruct Fund 23000	Federal Flowthrough 24000
Cash, June 30, 2016	\$ 414,494	24,267	6,042	-	16,426	-
Add:						
2016-17 revenues	4,013,833	114,394	31,301	66,249	27,867	143,603
Total Cash Available	4,428,327	138,661	37,343	66,249	44,293	143,603
Less:						
2016-17 expenditures	(4,414,448)	(114,394)	(23,552)	(70,571)	(23,071)	(137,456)
Receivables/Payables	-	-	-	-	-	-
Outstanding Loans	(45,178)	-	-	4,322	-	40,856
Cash June 30, 2017	(31,299)	24,267	13,791	-	21,222	47,003
Fund Balance Reconciliations to GAAP Basis:						
Audit reclassifications to cash	47,220	(24,267)	-	-	-	(47,003)
Cash per Books	15,921	-	13,791	-	21,222	-
Fund Balance (Deficit) Reconciliation to GAAP Basis:						
Modified Accrual Adjustments	21,363	-	-	6,617	-	(1,679)
Fund Balance (Deficit), Modified Accrual Basis	\$ 37,284	-	13,791	6,617	21,222	(1,679)

*Foundation is not required to be reported to PED, and is therefore not included in the cash report

** Cash Report submitted to PED is incorrect

Federal Direct 25000	State Flowthrough 27000	Public School Capital Outlay 31200	Special Capital Outlay-State 31400	Capital Improv. HB 33 31600	Capital Improv. SB 9 31700	Total
1,860	-	-	60,900	212,496	31,098	767,583
17,864	7,472	362,235	-	166,676	-	4,951,494
19,724	7,472	362,235	60,900	379,172	31,098	5,719,077
(8,332)	(7,472)	(362,235)	-	(93,897)	-	(5,255,428)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,392	-	-	60,900	285,275	31,098	463,649
(1)	-	-	(60,900)	91,999	(31,098)	(24,050)
11,391	-	-	-	377,274	-	439,599
					Foundation:	34,007
					Agency:	(21,222)
					Total cash per books:	\$ 452,384
-	-	-	-	45,179	-	71,480
11,391	-	-	-	422,453	-	511,079
					Foundation:	24,007
					Agency:	(21,222)
					Total Fund Balance (Deficit), Modified Accrual Basis:	\$ 513,864

SIX DIRECTIONS INDIGENOUS SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current assets:

Cash and Cash Equivalents	\$ 178,833
Total current assets	<u>178,833</u>

Total Assets	<u>178,833</u>
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Deferred Outflows - Pension Related	<u>33,358</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	14,548
Accrued Liabilities	15,411
Total Current Liabilities	<u>29,959</u>

Total Liabilities	<u>29,959</u>
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NET POSITION (DEFICIT)

Restricted	82,209
Unrestricted (Deficit)	<u>100,023</u>
Total Net Position (Deficit)	<u>\$ 182,232</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 217,133	-	195,265	-	(21,868)
Support Services:					
Students	15,432	-	-	-	(15,432)
Instruction	682	-	-	-	(682)
General Administration	61,355	-	-	-	(61,355)
School Administration	70,611	-	-	-	(70,611)
Central Services	1,746	-	-	-	(1,746)
Operation & Maintenance of Plant	74,254	-	-	-	(74,254)
Food Services	13,628	-	-	-	(13,628)
Facilities Materials, Supplies & Other Services	34,372	-	-	34,372	-
Total Governmental Activities	\$ 489,213	-	195,265	34,372	(259,576)
General Revenues:					
State Equalization Guarantee					\$ 441,808
Total General Revenues					441,808
Change in Net Position					182,232
Net Position, Beginning of Year					-
Net Position, Ending					\$ 182,232

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Balance Sheets - Governmental Funds
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Native American Program 25248
ASSETS			
Cash and Cash Equivalents	\$ 84,322	3,037	37,447
Total Assets	\$ 84,322	3,037	37,447
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 2,246	-	12,302
Accrued Expenditures	15,411	-	-
Total Liabilities	17,657	-	12,302
Fund Balances			
Fund Balance:			
Restricted for:			
Instruction	-	3,037	25,145
Assigned to:			
Subsequent Years Expenditures and Other Programs	66,665	-	-
Total Fund Balance	66,665	3,037	25,145
Total Liabilities and Fund Balances	\$ 84,322	3,037	37,447

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

Golden Apple Foundation 26163	Private Directed Grant 29102	NISN-High Quality Charter School 29138	Public School Capital Outlay 31200	Total
3,000	20,177	30,850	-	178,833
3,000	20,177	30,850	-	178,833
-	-	-	-	14,548
-	-	-	-	15,411
-	-	-	-	29,959
3,000	20,177	30,850	-	82,209
-	-	-	-	66,665
3,000	20,177	30,850	-	148,874
3,000	20,177	30,850	-	178,833

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds	\$ 148,874
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.	33,358
Net Position - Total Governmental Activities	<u><u>\$ 182,232</u></u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Native American Program 25248
REVENUES			
Local & County Grant	\$ 1,187	-	-
State Grant	441,808	3,037	-
Federal Grant	-	-	96,667
Total Revenues	442,995	3,037	96,667
EXPENDITURES			
Current:			
Instruction	180,502	-	47,105
Support Services:			
Students	15,913	-	-
Instruction	132	-	-
General Administration	60,990	-	1,435
School Administration	77,189	-	-
Central Services	1,746	-	-
Operation & Maintenance of Plant	39,858	-	20,000
Food Services Operations	-	-	2,982
Capital Outlay	-	-	-
Total Expenditures	376,330	-	71,522
Net Changes in Fund Balances	66,665	3,037	25,145
Fund Balances - Beginning of Year	-	-	-
Fund Balances - End of Year	\$ 66,665	3,037	25,145

Golden Apple Foundation 26163	Private Directed Grant 29102	NISN-High Quality Charter School 29138	Public School Capital Outlay 31200	Total
3,000	60,524	30,850	-	95,561
-	-	-	34,372	479,217
-	-	-	-	96,667
<u>3,000</u>	<u>60,524</u>	<u>30,850</u>	<u>34,372</u>	<u>671,445</u>
-	10,386	-	-	237,993
-	-	-	-	15,913
-	550	-	-	682
-	4,134	-	-	66,559
-	-	-	-	77,189
-	-	-	-	1,746
-	14,631	-	-	74,489
-	10,646	-	-	13,628
-	-	-	34,372	34,372
<u>-</u>	<u>40,347</u>	<u>-</u>	<u>34,372</u>	<u>522,571</u>
<u>3,000</u>	<u>20,177</u>	<u>30,850</u>	<u>-</u>	<u>148,874</u>
-	-	-	-	-
<u>3,000</u>	<u>20,177</u>	<u>30,850</u>	<u>-</u>	<u>148,874</u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance - Total Governmental Funds	\$ 148,874
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related and the net pension liability</p>	33,358
Change in Net Position - Total Governmental Activities	<u>\$ 182,232</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Six Directions Indigenous School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Six Directions Indigenous School’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Six Directions Indigenous School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Six Directions Indigenous School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Six Directions Indigenous School does not have any capital assets for the fiscal year ending June 30, 2017.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

NOTE 2. COMMITMENTS AND LIABILITIES

The Six Directions Indigenous School leased facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$50,140. The School’s minimum future payments on this lease are as follows:

Year Ending June 30:		
2018	\$	74,560
2019		74,560
2020		74,560
2021		74,560
2022		74,560
Total	\$	<u>372,800</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Six Directions Indigenous School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Six Directions Indigenous School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal year ended June 30, 2017 Six Directions Indigenous School paid employee and employer contributions of \$33,358.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Six Directions Indigenous School reported a liability of \$-0- for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016

Six Directions Indigenous School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Six Directions Indigenous School's proportion was 0.000%.

For the year ended June 30, 2017, Six Directions Indigenous School recognized pension expense of \$-0-. As of June 30, 2017, Six Directions Indigenous School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Six Directions Indigenous School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between Six Directions Indigenous School's contributions and proportionate share of contributions	-	-
Six Directions Indigenous School's contributions subsequent to the measurement date	33,358	-
Total	\$ 33,358	-

The amount of \$33,358 reported as deferred outflows of resources related to pensions resulting from Six Directions Indigenous School's 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, 2018.

Sensitivity of Six Directions Indigenous School's proportionate share of the net pension liability to changes in the discount rate. The following presents Six Directions Indigenous School's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what Six Directions Indigenous 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:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Six Directions Indigenous School's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, Six Directions Indigenous School's accrued liability due to ERB was \$10,045 for June payroll paid in July 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 4. STATE CHARTER AUTHORIZATION

On September 24, 2015 the State Public Education Commission approved Six Directions Indigenous School's charter application. The school began operations on July 1, 2016 when they entered their planning year. The school anticipates adding grade levels and increasing student enrollment each year until they reach their enrollment cap of 300 and offer grades 6 through 12. Since FY17 was the school's first year of operations it was not included in the New Mexico Public Education Departments FY16 financial statements.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.00%	0.00%	0.00%
School's Proportionate Share of Net Pension Liability (Asset)	\$	-	-	-
School's Covered-Employee Payroll	\$	240	-	-
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Six Directions Indigenous School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
Last Ten Fiscal Years*
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	-	-	33
Contributions in Relation to the Contractually Required Contribution	-	-	33
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Six Directions Indigenous School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Local & County Grant	\$ -	-	1,187	1,187
State Grant	419,847	441,808	441,808	-
Total Revenues	<u>419,847</u>	<u>441,808</u>	<u>442,995</u>	<u>1,187</u>
EXPENDITURES				
Current:				
Instruction	181,119	203,080	186,014	17,066
Support Services:				
Students	11,000	24,184	16,543	7,641
General Administration	39,025	62,096	59,471	2,625
School Administration	48,340	83,485	77,189	6,296
Central Services	21,530	4,441	1,746	2,695
Operation & Maintenance of Plant	74,802	64,522	39,263	25,259
Student Transportation	44,031	-	-	-
Total Expenditures	<u>419,847</u>	<u>441,808</u>	<u>380,226</u>	<u>61,582</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>62,769</u>	<u>62,769</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>62,769</u>	<u>62,769</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 62,769	
Adjustments to Revenues			-	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>3,896</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 66,665</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
State Grant	\$ -	2,285	3,037	752
Total Revenues	<u>-</u>	<u>2,285</u>	<u>3,037</u>	<u>752</u>
EXPENDITURES				
Current:				
Instruction	-	2,285	-	2,285
Total Expenditures	<u>-</u>	<u>2,285</u>	<u>-</u>	<u>2,285</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,037</u>	<u>3,037</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,037</u>	<u>3,037</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 3,037	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 3,037</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Native American Program 25248
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Federal Grant	\$ -	73,524	96,667	23,143
Total Revenues	-	73,524	96,667	23,143
EXPENDITURES				
Current:				
Instruction	-	46,542	34,803	11,739
Support Services:				
Instruction	-	2,000	-	2,000
General Administration	-	2,000	1,435	565
Operation & Maintenance of Plant	-	20,000	20,000	-
Food Services Operations	-	2,982	2,982	-
Total Expenditures	-	73,524	59,220	14,304
Net Changes in Fund Balances	-	-	37,447	37,447
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	37,447	37,447
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 37,447	
Adjustments to Revenues			-	
Adjustments to Expenditures			(12,302)	
NET CHANGE IN FUND BALANCE			\$ 25,145	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Golden Apple Foundation 26163
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Local & County Grant	\$ -	3,000	3,000	-
Total Revenues	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	3,000	-	3,000
Total expenditures	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 3,000	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 3,000</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Private Directed Grants 29102
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Local & County Grant	\$ -	60,524	60,524	-
Total Revenues	<u>-</u>	<u>60,524</u>	<u>60,524</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	14,000	10,386	3,614
Support Services:				
Instruction	-	550	550	-
General Administration	-	9,450	4,134	5,316
Operation & Maintenance of Plant	-	15,524	14,631	893
Food Services Operations	-	21,000	10,646	10,354
Total Expenditures	<u>-</u>	<u>60,524</u>	<u>40,347</u>	<u>20,177</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>20,177</u>	<u>20,177</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>20,177</u>	<u>20,177</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 20,177	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 20,177</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
NISN-Hight Quality Charter Schools 29138
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Local & County Grant	\$ -	30,850	30,850	-
Total Revenues	<u>-</u>	<u>30,850</u>	<u>30,850</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	28,350	-	28,350
Support Services:				
General Administration	-	2,500	-	2,500
Total Expenditures	<u>-</u>	<u>30,850</u>	<u>-</u>	<u>30,850</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>30,850</u>	<u>30,850</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>30,850</u>	<u>30,850</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 30,850	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 30,850</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	34,372	34,372	-
Total Revenues	-	34,372	34,372	-
EXPENDITURES				
Current:				
Capital Outlay	-	34,372	34,372	-
Total Expenditures	-	34,372	34,372	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
N/A	N/A	N/A	N/A	N/A
Total Cash per Schedule of Cash Accounts:				\$ 188,555
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				-
Collateral Requirement:				-
Pledged Collateral Held by Pledging Financial Institution:				<u>-</u>
Balance Over Collateralized:				<u><u>\$ -</u></u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u><u>\$ -</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 188,555
<i>Total on Deposit</i>	188,555
Reconciling Items	<u>(9,722)</u>
Reconciled Balance June 30, 2017	<u>178,833</u>
<i>Total Cash</i>	<u><u>\$ 178,833</u></u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SIX DIRECTIONS INDIGENOUS SCHOOL
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Federal Direct 25000
Cash, June 30, 2016	\$ -	-	-
Add:			
2016-17 revenues	442,995	3,037	96,667
Total Cash Available	442,995	3,037	96,667
Less:			
2016-17 expenditures	(380,226)	-	(59,220)
Receivables/Payables	15,411	-	-
Outstanding Loans	-	-	-
Cash June 30, 2017	78,180	3,037	37,447
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	6,142	-	-
Cash Per Books	84,322	3,037	37,447
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	(17,657)	-	(12,302)
Fund Balance (Deficit), Modified Accrual Basis	\$ 66,665	3,037	25,145

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

Local Grants 26000	Local or State 29000	Public School Capital Outlay 31200	Total
-	-	-	-
3,000	91,374	34,372	671,445
3,000	91,374	34,372	671,445
-	(40,347)	(34,372)	(514,165)
-	-	-	15,411
-	-	-	-
3,000	51,027	-	172,691
-	-	-	6,142
3,000	51,027	-	178,833
-	-	-	(29,959)
3,000	51,027	-	148,874

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements

June 30, 2017

VOLUME XI



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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SOUTH VALLEY PREPARATORY SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 293,550
Receivables	
Due from Other Governments	57,923
Deposits	25,125
Total Current Assets	<u>376,598</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	6,344
Less: Accumulated Depreciation	<u>(6,344)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>376,598</u>

Deferred Outflows - Pension Related	<u>279,333</u>
--	----------------

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	17,527
Accrued Liabilities	72,756
Compensated Absences	1,872
Total Current Liabilities	<u>92,155</u>

Noncurrent Liabilities:

Net Pension Liability	<u>1,774,641</u>
Total Noncurrent Liabilities	<u>1,774,641</u>
Total Liabilities	<u>1,866,796</u>

Deferred Inflows - Pension Related	<u>52,414</u>
---	---------------

NET POSITION (DEFICIT)

Restricted	207,736
Unrestricted (Deficit)	<u>(1,471,015)</u>
Total Net Position (Deficit)	<u>\$ (1,263,279)</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 851,410	-	159,582	-	(691,828)
Support Services:					
Students	139,271	-	-	-	(139,271)
Instruction	7,050	-	-	-	(7,050)
General Administration	21,257	-	-	-	(21,257)
School Administration	223,433	-	-	-	(223,433)
Central Services	91,465	-	-	-	(91,465)
Operation & Maintenance of Plant	115,117	-	-	-	(115,117)
Food Services	104,839	688	92,915	-	(11,236)
Facilities Materials, Supplies & Other Services	142,640	-	-	115,952	(26,688)
Total Governmental Activities	\$ 1,696,482	688	252,497	115,952	(1,327,345)
General Revenues:					
Property Taxes					129,194
State Equalization Guarantee					1,220,173
Total General Revenues					1,349,367
Change in Net Position					22,022
Net Position (Deficit), Beginning of Year					(1,285,301)
Net Position (Deficit), Ending					\$ (1,263,279)

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
ASSETS			
Cash and Cash Equivalents	\$ 104,036	6,732	16
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	49,185	-	-
Deposits	-	-	-
Total Assets	\$ 153,221	6,732	16
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 8,832	5,300	-
Accrued Expenditures	65,810	-	16
Due to Other Funds	-	-	-
Total Liabilities	74,642	5,300	16
Fund Balances (Deficit)			
Fund Balance:			
Nonspendable:			
Deposits	-	-	-
Restricted for:			
Instruction	-	1,432	-
Capital Improvements	-	-	-
Assigned to:			
Subsequent Years Expenditures and Other Programs	78,579	-	-
Unassigned (Deficit)	-	-	-
Total Fund Balance (Deficit)	78,579	1,432	-
Total Liabilities and Fund Balances	\$ 153,221	6,732	16

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

Title I IASA 24101	IDEA-B Entitlement 24106	Federal Charter School Planning 24146	Teacher Principal Training 24154	Medicaid Ancillary 25152
-	-	-	-	4,029
18,236	19,634	-	7,316	-
-	-	-	-	-
-	-	25,125	-	-
<u>18,236</u>	<u>19,634</u>	<u>25,125</u>	<u>7,316</u>	<u>4,029</u>
-	1,799	-	-	-
6,921	-	-	-	-
11,315	19,633	-	7,316	-
<u>18,236</u>	<u>21,432</u>	<u>-</u>	<u>7,316</u>	<u>-</u>
-	-	25,125	-	-
-	(1,798)	-	-	4,029
-	-	-	-	-
-	-	-	-	-
-	(1,798)	25,125	-	4,029
<u>18,236</u>	<u>19,634</u>	<u>25,125</u>	<u>7,316</u>	<u>4,029</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Balance Sheets - Governmental Funds - (Continued)
June 30, 2017

	Elementary & Middle School Initiative 26177	NM Meal Program 27183	Teacher and School Leader Incentive Pay 27188
ASSETS			
Cash and Cash Equivalents	\$ -	-	-
Accounts Receivable			
Due from Government	9,930	1,000	-
Due from Other Funds	-	-	-
Deposits	-	-	-
Total Assets	\$ 9,930	1,000	-
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	-	-
Accrued Expenditures	9	-	-
Due to Other Funds	9,921	1,000	-
Total Liabilities	9,930	1,000	-
Fund Balances (Deficit)			
Fund Balance:			
Nonspendable:			
Deposits	-	-	-
Restricted for:			
Instruction	-	-	-
Capital Improvements	-	-	-
Assigned to:			
Subsequent Years Expenditures and Other Programs	-	-	-
Unassigned (Deficit)	-	-	-
Total Fund Balance (Deficit)	-	-	-
Total Liabilities and Fund Balances	\$ 9,930	1,000	-

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

Group	Public School	HB 33 Capital	SB-9 Capital	SB-9	
Pay for	Capital Outlay	Improvements	Improvements	Ad Valorem	
Performance					Total
27190	31200	31600	31700	31701	
-	580	78,649	-	99,508	293,550
-	-	1,127	-	680	57,923
-	-	-	-	-	49,185
-	-	-	-	-	25,125
-	580	79,776	-	100,188	425,783
-	-	-	-	1,596	17,527
-	-	-	-	-	72,756
-	-	-	-	-	49,185
-	-	-	-	1,596	139,468
-	-	-	-	-	25,125
-	-	-	-	-	3,663
-	580	79,776	-	98,592	178,948
-	-	-	-	-	78,579
-	-	-	-	-	-
-	580	79,776	-	98,592	286,315
-	580	79,776	-	100,188	425,783

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds \$ 286,315

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

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

Capital Assets	6,344
Accumulated Depreciation	<u>(6,344)</u>

-

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.

279,333

Long-term liabilities are not due in the current period and, therefore are not reported in the funds.
Compensated absences

(1,872)

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.

(1,774,641)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.

(52,414)

Net Position (Deficit) - Total Governmental Activities

\$ (1,263,279)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	5,033	-	-
State Grant	1,220,173	9,669	-
Federal Grant	-	-	92,915
Charges for Services	-	-	688
Total Revenues	1,225,206	9,669	93,603
EXPENDITURES			
Current:			
Instruction	728,201	9,269	-
Support Services:			
Students	56,262	-	-
Instruction	7,050	-	-
General Administration	19,983	-	-
School Administration	208,522	-	-
Central Services	91,465	-	-
Operation & Maintenance of Plant	114,941	-	-
Food Services Operations	9,895	-	93,603
Capital Outlay	-	-	-
Total Expenditures	1,236,319	9,269	93,603
Net Changes in Fund Balances	(11,113)	400	-
Fund Balances (Deficit) - Beginning of Year	89,692	1,032	-
Fund Balances (Deficit) - End of Year	\$ 78,579	1,432	-

Title I IASA 24101	IDEA-B Entitlement 24106	Federal Charter School Planning 24146	Teacher Principal Training 24154	Medicaid Ancillary 25152
-	-	-	-	-
-	-	-	1,284	-
-	-	-	-	-
63,946	30,799	-	10,483	3,145
-	-	-	-	-
<u>63,946</u>	<u>30,799</u>	<u>-</u>	<u>11,767</u>	<u>3,145</u>
18,582	-	-	9,724	-
45,364	32,597	-	-	316
-	-	-	-	-
-	-	-	759	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>63,946</u>	<u>32,597</u>	<u>-</u>	<u>10,483</u>	<u>316</u>
-	(1,798)	-	1,284	2,829
-	-	25,125	(1,284)	1,200
<u>-</u>	<u>(1,798)</u>	<u>25,125</u>	<u>-</u>	<u>4,029</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Elementary & Middle School Initiative <u>26177</u>	NM School Meal Program <u>27183</u>	Teacher and School Leader Incentive Pay <u>27188</u>
REVENUES			
Property Taxes	\$ -	-	-
Local & County Grant	-	103	-
State Grant	9,930	1,000	18,139
Federal Grant	-	-	-
Charges for Services	-	-	-
Total Revenues	<u>9,930</u>	<u>1,103</u>	<u>18,139</u>
EXPENDITURES			
Current:			
Instruction	9,930	-	18,139
Support Services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Food Services Operations	-	1,000	-
Capital Outlay	-	-	-
Total Expenditures	<u>9,930</u>	<u>1,000</u>	<u>18,139</u>
Net Changes in Fund Balances	<u>-</u>	<u>103</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	<u>-</u>	<u>(103)</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>

Group	Public School	HB 33 Capital	SB-9 Capital	SB-9	
Pay for	Capital Outlay	Improvements	Improvements	Ad Valorem	
Performance					Total
27190	31200	31600	31700	31701	
-	-	85,075	-	44,119	129,194
-	-	-	15,000	-	21,420
6,051	100,952	-	-	-	1,365,914
-	-	-	-	-	201,288
-	-	-	-	-	688
<u>6,051</u>	<u>100,952</u>	<u>85,075</u>	<u>15,000</u>	<u>44,119</u>	<u>1,718,504</u>
5,503	-	-	-	-	799,348
-	-	-	-	-	134,539
-	-	-	-	-	7,050
-	-	836	-	438	21,257
548	-	-	-	-	209,829
-	-	-	-	-	91,465
-	-	-	-	-	114,941
-	-	-	-	-	104,498
-	100,952	4,463	-	37,225	142,640
<u>6,051</u>	<u>100,952</u>	<u>5,299</u>	<u>-</u>	<u>37,663</u>	<u>1,625,567</u>
-	-	79,776	15,000	6,456	92,937
-	580	-	(15,000)	92,136	193,378
-	580	79,776	-	98,592	286,315

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance - Total Governmental Funds	\$	92,937
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
Change in Compensated Absences		(18)
Changes in deferred outflows resources-pension related, deferred inflows of resources-pension related and the net pension liability		<u>(70,897)</u>
Change in Net Position - Total Governmental Activities	\$	<u>22,022</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 7,477
Total Assets	<u>\$ 7,477</u>
LIABILITIES	
Deposits Held for Others	\$ 7,477
Total Liabilities	<u>\$ 7,477</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 22	52,706	(45,251)	7,477
Total Assets	<u>\$ 22</u>	<u>52,706</u>	<u>(45,251)</u>	<u>7,477</u>
 LIABILITIES				
Deposits Held for Others	\$ 22	52,706	(45,251)	7,477
Total Liabilities	<u>\$ 22</u>	<u>52,706</u>	<u>(45,251)</u>	<u>7,477</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The South Valley Preparatory School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The South Valley Preparatory School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The South Valley Preparatory School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for the South Valley Preparatory School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 6,344	-	-	6,344
<i>Total</i>	6,344	-	-	6,344
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(6,344)	-	-	(6,344)
<i>Total</i>	(6,344)	-	-	(6,344)
Capital Assets, Net	\$ -	-	-	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

The South Valley Preparatory School leased equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$107,685. The South Valley Preparatory School’s minimum future payments on this lease are as follows:

Year Ending June 30:		
2018	\$	118,683
2019		-
2020		-
2021		-
2022		-
Total	<u>\$</u>	<u>118,683</u>

NOTE 4. DEFICIT FUND BALANCE

The following funds had a deficit fund balance at June 30, 2016:

IDEA-B Entitlement 24106	\$ 1,798
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South Valley Preparatory School is addressing the negative fund balances and is planning on taking the appropriate actions to eliminate the negative balances.

NOTE 5. RELATED PARTY TRANSACTIONS

The business manager services are performed by an outside manager, which performed services for multiple state charter schools.

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to the South Valley Preparatory School and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions – For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, South Valley Preparatory School paid employee and employer contributions of \$101,777 and \$97,899, which equal the amount of the required contributions for each fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, South Valley Preparatory School reported a liability of \$1,774,641 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

South Valley Preparatory School’s proportion of the net pension liability was based on a projection of South Valley Preparatory School’s long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2016 South Valley Preparatory School’s proportion was 0.02466%, which was an increase of .00001% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, South Valley Preparatory School’s recognized pension expense is \$173,225. At June 30, 2017, South Valley Preparatory School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,699	16,879
Changes in assumptions	36,125	-
Net difference between projected and actual earnings on pension plan investments	105,931	-
Changes in proportion and differences between South Valley Preparatory School's contributions and proportionate share of contributions	27,801	35,535
South Valley Preparatory School's contributions subsequent to the measurement date	<u>101,777</u>	<u>-</u>
Total	\$ <u>279,333</u>	<u>52,414</u>

The amount of \$101,777 reported as deferred outflows of resources related to pensions resulting from South Valley Preparatory School's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	34,768
2019		14,254
2020		50,288
2021		<u>25,832</u>
Total	\$	<u>125,142</u>

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	Composed of 3.0% inflation, plus a 0.75% productivity increase rate, plus a step-rate promotional increase for members with less than 10 years of service.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Investment rate of return	7.75% compounded annually, net of expenses. This is made up of a 3.00% inflation rate and a 4.75% real 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.) developed for each major asset class.
Average of Expected Remaining Service Lives	3.77 years.
Mortality	<p>Healthy males: Based on the RP-2000 Combined Mortality Table with White Collar adjustments, generational mortality improvements with Scale BB.</p> <p>Healthy females: Based on GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with Scale BB from the table's base year of 2012.</p> <p>Disabled males: RP-2000 Disabled Mortality Table for males, set back three year, projected to 2016 with Scale BB.</p> <p>Disabled females: RP-2000 Disabled Mortality Table for females, no set back, projected to 2016 with Scale BB.</p> <p>Active members: RP-2000 Employee Mortality Tables, with males set back two years and scaled at 80%, and females set back five years and scaled at 70%. Static mortality improvement from the table's base year of 2000 to the year 2016 in accordance with Scale BB. No future improvement was assumed for preretirement mortality.</p>
Retirement Age	Experience-based table rates based on age and service, adopted by the Board on June 12, 2015 in conjunction with the six-year experience study for the period ending June 30, 2014.
Cost-of-living increases	2% per year, compounded annually.
Payroll growth	3.5% per year (with no allowance for membership growth).
Contribution accumulation	5% increase per year for all years prior to the valuation date. (contributions are credited with 4.0% interest, compounded annually, applicable to the account balance in the past as well as the future).
Disability Incidence	Approved rates applied to eligible members with at least 10 years of service.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The actuarial assumptions and methods are set by the Plan’s Board of Trustees, based upon recommendations made by the Plan’s actuary. The Board adopted new assumptions on June 12, 2015 in conjunction with the six-year actuarial experience study period ending June 30, 2014. At that time, the Board adopted several assumption changes, which included a decrease in the annual wage inflation rate from 4.25% to 3.75%, and changes to the mortality rates, disability rates, and retirement rates for members who joined the plan after June 30, 2010. In addition, the Board lowered the population growth rate assumption to zero.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	35%	
Fixed income	28%	
Alternatives	36%	
Cash	1%	
Total	100%	7.75%

Discount rate. A single discount rate of 7.75% was used to measure the total pension liability as of June 30, 2016. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.75%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

Sensitivity of South Valley Preparatory School’s proportionate share of the net pension liability to changes in the discount rate. The following presents South Valley Preparatory School’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the South Valley Preparatory 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:

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 South Valley Preparatory School
 Notes to the Financial Statements
 June 30, 2017

NOTE 6. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
South Valley Preparatory School's proportionate share of the net pension liability	\$ <u>2,350,470</u>	<u>1,774,641</u>	<u>1,296,865</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, South Valley Preparatory School's accrued liability due to ERB was \$23,229 for June payroll paid in July 2017.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.02%	0.03%	0.03%
School's Proportionate Share of Net Pension Liability (Asset)	\$	1,775	1,596	1,472
School's Covered-Employee Payroll	\$	732	673	711
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		242.37%	237.15%	206.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for South Valley Preparatory School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Statutory required contributions	\$ 111	98	102
Contributions in Relation to the Contractually Required Contribution	97	98	102
Annual contribution deficiency (excess)	\$ 14	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for South Valley Preparatory School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	5,033	5,033
State Grant	1,201,780	1,230,201	1,220,173	(10,028)
Total Revenues	<u>1,201,780</u>	<u>1,230,201</u>	<u>1,225,206</u>	<u>(4,995)</u>
EXPENDITURES				
Current:				
Instruction	651,667	736,371	728,032	8,339
Support Services:				
Students	104,464	110,741	55,756	54,985
Instruction	5,000	6,000	7,050	(1,050)
General Administration	23,000	23,000	17,127	5,873
School Administration	203,115	203,115	209,443	(6,328)
Central Services	96,200	96,200	98,959	(2,759)
Operation & Maintenance of Plant	130,504	140,504	117,290	23,214
Food Services Operations	-	10,000	9,895	105
Capital outlay	52,283	-	-	-
Total Expenditures	<u>1,266,233</u>	<u>1,325,931</u>	<u>1,243,552</u>	<u>82,379</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(64,453)</u>	<u>(95,730)</u>	<u>(18,346)</u>	<u>77,384</u>
Other Financing Sources (Uses):				
Designated Cash	64,453	95,730	-	(95,730)
Total Other Financing Sources (Uses):	<u>64,453</u>	<u>95,730</u>	<u>-</u>	<u>(95,730)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(18,346)</u>	<u>(18,346)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>89,692</u>	<u>89,692</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>71,346</u>	<u>71,346</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			(18,346)	
Adjustments to Revenues			-	
Adjustments to Expenditures			7,233	
NET CHANGE IN FUND BALANCE			<u>\$ (11,113)</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 7,858	7,275	9,669	2,394
Total Revenues	7,858	7,275	9,669	2,394
EXPENDITURES				
Current:				
Instruction	7,858	8,307	3,969	4,338
Total Expenditures	7,858	8,307	3,969	4,338
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(1,032)	5,700	6,732
Other Financing Sources (Uses):				
Designated Cash	-	1,032	-	(1,032)
Total Other Financing Sources (Uses):	-	1,032	-	(1,032)
Net Changes in Fund Balances	-	-	5,700	5,700
Cash or Fund Balances - Beginning of Year	-	-	1,032	1,032
Cash or Fund Balances - End of Year	\$ -	-	6,732	6,732
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			5,700	
Adjustments to Revenues			-	
Adjustments to Expenditures			(5,300)	
NET CHANGE IN FUND BALANCE			\$ 400	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 120,000	120,000	92,915	(27,085)
Charges for Services	-	-	688	688
Total Revenues	120,000	120,000	93,603	(26,397)
EXPENDITURES				
Current:				
Food Services Operations	124,945	124,945	93,603	31,342
Total Expenditures	124,945	124,945	93,603	31,342
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(4,945)</i>	<i>(4,945)</i>	<i>-</i>	<i>4,945</i>
Other Financing Sources (Uses):				
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	4,945	4,945	-	-
Net Changes in Fund Balances	-	-	-	4,945
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	4,945
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			-	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	25,809	25,809
Federal Grant	60,898	70,851	45,710	(25,141)
Total Revenues	60,898	70,851	71,519	668
EXPENDITURES				
Current:				
Instruction	42,373	25,486	18,582	6,904
Total Expenditures	60,898	70,851	63,947	6,904
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	7,572	7,572
Net Changes in Fund Balances	-	-	7,572	7,572
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	7,572	7,572
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			7,572	
Adjustments to Revenues			(7,572)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	4,691	4,691
Federal Grant	25,656	34,702	11,165	(23,537)
Total Revenues	25,656	34,702	15,856	(18,846)
EXPENDITURES				
Current:				
Support Services:				
Students	25,656	34,702	30,798	3,904
Total Expenditures	25,656	34,702	30,798	3,904
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(14,942)	(14,942)
Net Changes in Fund Balances	-	-	(14,942)	(14,942)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(14,942)	(14,942)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			(14,942)	
Adjustments to Revenues			14,943	
Adjustments to Expenditures			(1,799)	
NET CHANGE IN FUND BALANCE			\$ (1,798)	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	1,284	1,284
Federal Grant	8,518	15,230	3,167	(12,063)
Total Revenues	8,518	15,230	4,451	(10,779)
EXPENDITURES				
Current:				
Instruction	8,518	14,230	9,724	4,506
Support Services:				
School Administration	-	1,000	759	241
Total expenditures	8,518	15,230	10,483	4,747
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(6,032)	(6,032)
Net changes in Fund Balances	-	-	(6,032)	(6,032)
Cash or Fund Balances - Beginning of Year	-	-	(1,284)	(1,284)
Cash or Fund Balances - End of Year	\$ -	-	(7,316)	(7,316)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			(6,032)	
Adjustments to Revenues			7,316	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 1,284	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Medicaid Ancillary 25152
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	-	3,145	3,145
Total Revenues	-	-	3,145	3,145
EXPENDITURES				
Current:				
Support Services:				
Students	-	1,200	316	884
Total Expenditures	-	1,200	316	884
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(1,200)	2,829	4,029
Other financing sources (uses):				
Designated Cash	-	1,200	-	(1,200)
Total other financing sources (uses):	-	1,200	-	(1,200)
Net Changes in Fund Balances	-	-	2,829	2,829
Cash or Fund Balances - Beginning of Year	-	-	1,200	1,200
Cash or Fund Balances - End of Year	\$ -	-	4,029	4,029
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			2,829	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 2,829	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Elementary & Middle School Initiative 26177
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	9,930	9,200	(730)
Total Revenues	-	9,930	9,200	(730)
EXPENDITURES				
Current:				
Instruction	-	9,930	9,930	-
Total Expenditures	-	9,930	9,930	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(730)	(730)
Net Changes in Fund Balances	-	-	(730)	(730)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(730)	(730)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			(730)	
Adjustments to revenues			730	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
NM School Meal Program 27183
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	1,000	-	(1,000)
Total Revenues	<u>-</u>	<u>1,000</u>	<u>103</u>	<u>(897)</u>
EXPENDITURES				
Current:				
Food Services Operations	-	1,000	1,000	-
Total Expenditures	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(897)</u>	<u>(897)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(897)</u>	<u>(897)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(103)</u>	<u>(103)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			(897)	
Adjustments to Revenues			1,000	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 103</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher and School Leader Incentive Pay 27188
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	18,139	18,139	-
Total Revenues	<u>-</u>	<u>18,139</u>	<u>18,139</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	18,139	18,139	-
Total Expenditures	<u>-</u>	<u>18,139</u>	<u>18,139</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			-	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Group Pay for Performance 27190
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	6,051	6,051	-
Total Revenues	<u>-</u>	<u>6,051</u>	<u>6,051</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	5,503	5,503	-
Support Services:				
School Administration	-	548	548	-
Total Expenditures	<u>-</u>	<u>6,051</u>	<u>6,051</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			-	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	24,649	24,649
State Grant	-	100,952	100,952	-
Total Revenues	-	100,952	125,601	24,649
EXPENDITURES				
Current:				
Capital Outlay	-	100,952	100,952	-
Total Expenditures	-	100,952	100,952	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	24,649	24,649
Net Changes in Fund Balances	-	-	24,649	24,649
Cash or Fund Balances - Beginning of Year	-	-	580	580
Cash or Fund Balances - End of Year	\$ -	-	580	25,229
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			24,649	
Adjustments to Revenues			(24,649)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
HB 33 Capital Improvement 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 85,324	85,324	83,948	(1,376)
Total Revenues	<u>85,324</u>	<u>85,324</u>	<u>83,948</u>	<u>(1,376)</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	854	854	836	18
Capital Outlay	<u>84,470</u>	<u>84,470</u>	<u>4,463</u>	<u>80,007</u>
Total Expenditures	<u>85,324</u>	<u>85,324</u>	<u>5,299</u>	<u>80,025</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>78,649</u>	<u>78,649</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>78,649</u>	<u>78,649</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>78,649</u>	<u>78,649</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			78,649	
Adjustments to Revenues			1,127	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 79,776</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive
	Original Budget	Final Budget		(Negative)
REVENUES				
Local & County Grant	\$ -	-	15,000	15,000
State Grant	161	3,910	-	(3,910)
Total Revenues	161	3,910	15,000	11,090
EXPENDITURES				
Current:				
Support Services:				
General Administration	-	-	-	-
Capital Outlay	161	3,910	-	3,910
Total Expenditures	161	3,910	-	3,910
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	15,000	15,000
Other Financing Sources (Uses):				
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes in Fund Balances	-	-	15,000	15,000
Cash or Fund Balances - Beginning of Year	-	-	(15,000)	(15,000)
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			15,000	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 15,000	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Ad Valorem 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 42,758	42,758	43,439	681
Total Revenues	42,758	42,758	43,439	681
EXPENDITURES				
Current:				
Support Services:				
General Administration	428	428	438	(10)
Capital Outlay	122,169	134,466	35,629	98,837
Total Expenditures	122,597	134,894	36,067	98,827
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(79,839)</i>	<i>(92,136)</i>	<i>7,372</i>	<i>99,508</i>
Other Financing Sources (Uses):				
Designated Cash	79,839	92,136	-	(92,136)
Total Other Financing Sources (Uses):	79,839	92,136	-	(92,136)
Net Changes in Fund Balances	-	-	7,372	7,372
Cash or Fund Balances - Beginning of Year	92,136	92,136	92,136	-
Cash or Fund Balances - End of Year	\$ 92,136	92,136	99,508	7,372
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			7,372	
Adjustments to Revenues			680	
Adjustments to Expenditures			(1,596)	
NET CHANGE IN FUND BALANCE			\$ 6,456	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Wells Fargo	FNMA FNMS 3.000%	31418AJK5	9/1/2032	\$ 30,569
				<u>\$ 30,569</u>
Total Cash per Schedule of Cash Accounts:				\$ 301,761
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				51,761
Collateral Requirement:				25,881
Pledged Collateral Held by Pledging Financial Institution:				<u>30,569</u>
Balance Over Collateralized:				<u>\$ 4,688</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 21,192</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	<u>\$ 301,761</u>
Total on Deposit	301,761
Reconciling Items	<u>(734)</u>
Reconciled Balance June 30, 2017	<u>301,027</u>
Less Agency Funds	<u>(7,477)</u>
Total Cash	<u><u>\$ 293,550</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000
Cash, June 30, 2016	\$ 46,626	1,032	-	22
Add:				
2016-17 revenues	1,225,206	9,669	93,603	52,706
Total Cash Available	1,271,832	10,701	93,603	52,728
Less:				
2016-17 expenditures	(1,243,552)	(3,969)	(93,603)	(45,251)
Permanent Cash Transfer	-	-	-	-
Receivables/Payables	65,810	-	16	-
Outstanding Loans	(49,185)	-	-	-
Cash June 30, 2017	44,905	6,732	16	7,477
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	59,131	-	-	-
Cash Per Books	104,036	6,732	16	7,477
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(25,457)	(5,300)	(16)	(7,477)
Fund Balance, Modified Accrual Basis	\$ 78,579	1,432	-	-

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

Federal Projects Account 24000	Federal Direct 25000	Local Grants 26000	State Account 27000	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600
-	1,200	-	16	-	-
91,828	3,145	9,200	70,741	125,600	83,948
91,828	4,345	9,200	70,757	125,600	83,948
(105,230)	(316)	(9,930)	(25,190)	(100,952)	(5,299)
-	-	-	-	-	-
6,921	-	9	-	-	-
38,264	-	9,921	1,000	-	-
31,783	4,029	9,200	46,567	24,648	78,649
(31,783)	-	(9,200)	(46,567)	(24,068)	-
-	4,029	-	-	580	78,649
23,327	-	-	-	-	1,127
23,327	4,029	-	-	580	79,776

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Cash Reconciliation
June 30, 2017

	SB-9 Capital Improvements 31700	SB-9 Ad Valorem 31701	Total
Cash, June 30, 2016	\$ 77,136	-	126,032
Add:			
2016-17 revenues	15,000	43,439	1,824,085
Total Cash Available	92,136	43,439	1,950,117
Less:			
2016-17 expenditures	-	(36,067)	(1,669,359)
Permanent Cash Transfer	(92,136)	92,136	-
Receivables/Payables	-	-	72,756
Outstanding Loans	-	-	-
Cash June 30, 2017	-	99,508	353,514
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	-	-	(52,487)
Cash Per Books	-	99,508	301,027
		Less: Agency Fund	(7,477)
			<u>\$ 293,550</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	-	(916)	(14,712)
Fund Balance, Modified Accrual Basis	<u>\$ -</u>	<u>98,592</u>	<u>286,315</u>

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

SOUTHWEST AERONAUTICS, MATHEMATICS AND SCIENCES

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$	889,779
Receivables		
Taxes Receivable		3,473
Due from Other Governments		89,944
Total Current Assets		<u>983,196</u>

Noncurrent Assets:

Capital Assets		
Land and land improvements		170,000
Buildings and building improvements		126,450
Furniture, fixtures & equipment		481,399
Vehicles		159,589
Less: Accumulated Depreciation		<u>(230,975)</u>
Total Noncurrent Assets		<u>706,463</u>
Total Assets		<u>1,689,659</u>

Deferred Outflows - Pension Related		<u>506,867</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable		116,964
Accrued Liabilities		120,036
Total Current Liabilities		<u>237,000</u>

Noncurrent Liabilities:

Net Pension Liability		<u>2,116,471</u>
Total Noncurrent Liabilities		<u>2,116,471</u>
Total Liabilities		<u>2,353,471</u>

Deferred Inflows - Pension Related		<u>20,130</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets		706,463
Restricted		286,766
Unrestricted (Deficit)		<u>(1,170,304)</u>
Total Net Position (Deficit)	\$	<u>(177,075)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,066,238	2,232	97,320	-	(966,686)
Support Services:					
Students	103,014	-	-	-	(103,014)
Instruction	337,665	-	-	-	(337,665)
General Administration	152,506	-	-	-	(152,506)
School Administration	244,224	-	-	-	(244,224)
Central Services	146,524	-	-	-	(146,524)
Operation & Maintenance of Plant	416,516	-	-	-	(416,516)
Student Transportation	94,870	-	(36,469)	-	(131,339)
Food Services	340	-	-	-	(340)
Facilities Materials, Supplies & Other Services	339,003	-	-	225,697	(113,306)
Total Governmental Activities	\$ 2,900,900	2,232	60,851	225,697	(2,612,120)
General Revenues:					
Property Taxes					\$ 245,230
State Equalization Guarantee					2,095,862
Miscellaneous					18,103
Total General Revenues					<u>2,359,195</u>
Change in Net Position					(252,925)
Net Position (Deficit), Beginning as Previously Reported					(216,028)
Restatement (Note 7)					<u>291,878</u>
Net Position - Beginning, Restated					75,850
Net position (Deficit), Ending					<u>\$ (177,075)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 559,287	69,710	48,847	-
Accounts Receivable				
Taxes Receivable	-	-	-	-
Due from Governments	7,264	-	-	5,763
Due from Other Funds	162,343	-	-	-
Total Assets	\$ 728,894	69,710	48,847	5,763
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	68,188	-	-	-
Accrued Liabilities	116,655	-	-	3,221
Due to Other Funds	-	-	-	3,025
Total Liabilities	184,843	-	-	6,246
<i>Fund Balances (Deficit)</i>				
Fund Balance:				
Restricted for:				
Instruction	-	-	48,847	-
Student Transportation	-	69,710	-	-
Capital Improvements	-	-	-	-
Unassigned (Deficit)	544,051	-	-	(483)
Total Fund Balance (Deficit)	544,051	69,710	48,847	(483)
Total Liabilities and Fund Balances	\$ 728,894	69,710	48,847	5,763

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Charter Schools 24146	Teacher Principal Training 24154	Dual Credits Instructional Materials 27103	GO Bonds Student Library 27107	Public School Capital Outlay 31200	Special Capital Outlay State 31400
-	4,588	-	-	-	-	-
-	-	-	-	-	-	-
1,293	-	2,606	-	-	50,894	-
-	-	-	-	-	-	-
<u>1,293</u>	<u>4,588</u>	<u>2,606</u>	-	-	50,894	-
-	-	-	-	-	-	-
160	-	-	-	-	-	-
1,566	-	2,606	552	-	132,470	-
<u>1,726</u>	-	<u>2,606</u>	<u>552</u>	-	<u>132,470</u>	-
-	4,588	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(433)	-	-	(552)	-	(81,576)	-
<u>(433)</u>	<u>4,588</u>	-	<u>(552)</u>	-	<u>(81,576)</u>	-
<u>1,293</u>	<u>4,588</u>	<u>2,606</u>	-	-	50,894	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
ASSETS				
Cash and Cash Equivalents	160,312	-	47,035	889,779
Accounts Receivable				
Taxes Receivable	2,174	1,299	-	3,473
Due from Governments	-	22,124	-	89,944
Due from Other Funds	-	-	-	162,343
Total Assets	<u>162,486</u>	<u>23,423</u>	<u>47,035</u>	<u>1,145,539</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	-	2,876	45,900	116,964
Accrued Liabilities	-	-	-	120,036
Due to Other Funds	-	22,124	-	162,343
Total Liabilities	<u>-</u>	<u>25,000</u>	<u>45,900</u>	<u>399,343</u>
<i>Fund Balances (Deficit)</i>				
Fund Balance:				
Restricted for:				
Instruction	-	-	-	53,435
Student Transportation	-	-	-	69,710
Capital Improvements	162,486	-	1,135	163,621
Unassigned (Deficit)	-	(1,577)	-	459,430
Total Fund Balance (Deficit)	<u>162,486</u>	<u>(1,577)</u>	<u>1,135</u>	<u>746,196</u>
Total Liabilities and Fund Balances	<u>162,486</u>	<u>23,423</u>	<u>47,035</u>	<u>1,145,539</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds	\$ 746,196
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital Assets	937,438
Accumulated Depreciation	<u>(230,975)</u>
	706,463
Defined benefit pension plan deferred outflows are not financial resources and, therefore, and not reported in the funds	
	506,867
Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.	
Net Pension Liability	(2,116,471)
Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds	
	<u>(20,130)</u>
Net Position (Deficit) - Total Governmental Activities	<u>\$ (177,075)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	2,095,862	(36,469)	19,041	-
Federal Grant	10,018	-	-	34,301
Charges for Services	2,232	-	-	-
Miscellaneous Income	18,103	-	-	-
Total Revenues	<u>2,126,215</u>	<u>(36,469)</u>	<u>19,041</u>	<u>34,301</u>
EXPENDITURES				
Current:				
Instruction	977,532	-	19,703	31,777
Support Services:				
Students	89,856	-	-	-
Instruction	333,897	-	-	-
General Administration	152,506	-	-	-
School Administration	246,103	-	-	-
Central Services	146,524	-	-	-
Operation & Maintenance of Plant	444,908	-	-	-
Student Transportation	6,000	88,870	-	-
Food Services Operations	340	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>2,397,666</u>	<u>88,870</u>	<u>19,703</u>	<u>31,777</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(271,451)</u>	<u>(125,339)</u>	<u>(662)</u>	<u>2,524</u>
Other financing sources (uses)				
Operating Transfers	(33,515)	-	-	-
Total Other financing sources (uses)	(33,515)	-	-	-
Net Changes in Fund Balances	<u>(304,966)</u>	<u>(125,339)</u>	<u>(662)</u>	<u>2,524</u>
Fund Balances(Deficit) - Beginning of Year	<u>849,017</u>	<u>195,049</u>	<u>49,509</u>	<u>(3,007)</u>
Fund Balances (Deficit) - End of Year	<u>\$ 544,051</u>	<u>69,710</u>	<u>48,847</u>	<u>(483)</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Charter Schools 24146	Teacher Principal Training 24154	Dual Credits Instructional Materials 27103	GO Bonds Student Library 27107	Public School Capital Outlay 31200	Special Capital Outlay State 31400
-	-	-	-	-	-	-
-	-	-	3,127	3,768	203,573	-
22,139	-	4,926	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>22,139</u>	<u>-</u>	<u>4,926</u>	<u>3,127</u>	<u>3,768</u>	<u>203,573</u>	<u>-</u>
9,415	-	4,552	3,679	-	-	-
13,158	-	-	-	-	-	-
-	-	-	-	3,768	-	-
-	-	-	-	-	-	-
-	-	(1,879)	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	203,573	-
<u>22,573</u>	<u>-</u>	<u>2,673</u>	<u>3,679</u>	<u>3,768</u>	<u>203,573</u>	<u>-</u>
(434)	-	2,253	(552)	-	-	-
-	-	-	-	-	-	33,515
-	-	-	-	-	-	33,515
(434)	-	2,253	(552)	-	-	33,515
1	4,588	(2,253)	-	-	(81,576)	(33,515)
<u>(433)</u>	<u>4,588</u>	<u>-</u>	<u>(552)</u>	<u>-</u>	<u>(81,576)</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - Continued
Governmental Funds
For The Year Ended June 30, 2017

	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
REVENUES				
Property Taxes	162,486	(53)	82,797	245,230
State Grant	-	22,124	-	2,311,026
Federal Grant	-	-	-	71,384
Charges for Services	-	-	-	2,232
Miscellaneous Income	-	-	-	18,103
Total Revenues	<u>162,486</u>	<u>22,071</u>	<u>82,797</u>	<u>2,647,975</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	1,046,658
Support Services:				
Students	-	-	-	103,014
Instruction	-	-	-	337,665
General Administration	-	-	-	152,506
School Administration	-	-	-	244,224
Central Services	-	-	-	146,524
Operation & Maintenance of Plant	-	-	-	444,908
Student Transportation	-	-	-	94,870
Food Services Operations	-	-	-	340
Capital Outlay	-	25,000	168,436	397,009
Total Expenditures	<u>-</u>	<u>25,000</u>	<u>168,436</u>	<u>2,967,718</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>162,486</u>	<u>(2,929)</u>	<u>(85,639)</u>	<u>(319,743)</u>
Other financing sources (uses)				
Operating Transfers	-	(86,774)	86,774	-
Total Other financing sources (uses)	-	(86,774)	86,774	-
Net Changes in Fund Balances	<u>162,486</u>	<u>(89,703)</u>	<u>1,135</u>	<u>(319,743)</u>
Fund Balances(Deficit) - Beginning of Year	<u>-</u>	<u>88,126</u>	<u>-</u>	<u>1,065,939</u>
Fund Balances (Deficit) - End of Year	<u>162,486</u>	<u>(1,577)</u>	<u>1,135</u>	<u>746,196</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (319,743)**

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

Change in net pension liability and related accounts (139,580)

Expenditures to purchase or build capital assets, pay for interest on
debt, and amortization on long term 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
capital outlay exceeds depreciation for the period

Capital Outlays	278,066	
Depreciation Expense	(71,668)	
	206,398	206,398

Change in Net Position-Total Governmental Activities **\$ (252,925)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Agency</u>
ASSETS	
Cash in Bank	\$ 4,645
Total Assets	<u>\$ 4,645</u>
LIABILITIES	
Deposits Held for Others	\$ 4,645
Total Liabilities	<u>\$ 4,645</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ (974)	13,141	(7,522)	4,645
Total Assets	<u>\$ (974)</u>	<u>13,141</u>	<u>(7,522)</u>	<u>4,645</u>
 LIABILITIES				
Deposits Held for Others	\$ (974)	13,141	(7,522)	4,645
Total Liabilities	<u>\$ (974)</u>	<u>13,141</u>	<u>(7,522)</u>	<u>4,645</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Southwest Aeronautics, Mathematics and Science's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Southwest Aeronautics, Mathematics and Science (SAMS) does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. SAMS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years
Vehicles	10 years

Capital assets for SAMS are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance <u>June 30, 2016</u>	Additions	Deletions & <u>Adjustments</u>	Balance <u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Land and Land Improvements	\$ -	-	170,000	170,000
Buildings and Improvements	-	48,144	78,306	126,450
Furniture, Fixtures and Equipment	286,257	109,922	85,220	481,399
Vehicles	-	120,000	39,589	159,589
<i>Total</i>	<u>286,257</u>	<u>278,066</u>	<u>373,115</u>	<u>937,438</u>
<i>Less: Accumulated Depreciation</i>	<u>(78,070)</u>	<u>(71,668)</u>	<u>(81,237)</u>	<u>(230,975)</u>
Capital Assets, Net	<u>\$ 208,187</u>	<u>206,398</u>	<u>291,878</u>	<u>706,463</u>

Depreciation expensed for the year ended June 30, 2017 was expensed to the following functions:

Facilities Materials, Supplies & Other	\$ 71,668
Total	<u><u>\$ 71,668</u></u>

NOTE 3. COMMITMENTS AND LIABILITIES

Southwest Aeronautics, Mathematics and Science leased various facilities and equipment under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$350,564. Southwest Aeronautics, Mathematics and Science's minimum future payments on these leases are as follows:

Year Ending June 30:	
2018	\$ 270,302
Total minimum lease payments	<u><u>\$ 270,302</u></u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Notes to the Financial Statements
June 30, 2017**

NOTE 4. DEFICIT FUND BALANCE

The following funds had a deficit fund balance at June 30, 2017:

24101 Title I	\$	483
24106 IDEA-B Entitlement		433
27103 Dual Credits Instructional Materials		552
31200 Public School Capital Outlay		81,576
31700 SB-9 Capital Improvements		<u>1,577</u>
Total funds with deficit balances	<u>\$</u>	<u>84,621</u>

SAMS is addressing the negative fund balances and is planning on taking the appropriate actions to eliminate the negative balances.

NOTE 5. RELATED PARTY TRANSACTIONS

The same administration operates all four schools: Southwest Secondary, Intermediate and Primary Learning Centers and Southwest Aeronautics, Mathematics and Science Academy.

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Southwest Aeronautics, Mathematics and Science and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Southwest Aeronautics, Mathematics and Science paid employee and employer contributions of \$139,407 and \$116,768.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Southwest Aeronautics, Mathematics and Science reported a liability of \$2,116,471 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Southwest Aeronautics, Mathematics and Science's proportion of the net pension liability was based on a projection of Southwest Aeronautics, Mathematics and Science's long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2016, Southwest Aeronautics, Mathematics and Science's proportion was 0.02941%, which was an increase of 0.00291% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Southwest Aeronautics, Mathematics and Science recognized pension expense of \$284,463. As of June 30, 2017, Southwest Aeronautics, Mathematics and Science reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,182	(20,130)
Changes in assumptions	43,082	-
Net difference between projected and actual earnings on pension plan investments	126,336	-
Changes in proportion and differences between Southwest Aeronautics, Mathematics and Science's contributions and proportionate share of contributions	188,860	-
Southwest Aeronautics, Mathematics and Science's contributions subsequent to the measurement date	<u>139,407</u>	<u>-</u>
Total	<u>\$ 506,867</u>	<u>(20,130)</u>

The amount of \$139,407 reported as deferred outflows of resources related to pensions resulting from Southwest Aeronautics, Mathematics and Science's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 120,113
2019	98,529
2020	97,880
2021	<u>30,808</u>
Total	<u>\$ 347,330</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Southwest Aeronautics, Mathematics and Sciences
 Notes to the Financial Statements
 June 30, 2017

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Sensitivity of Southwest Aeronautics, Mathematics and Science’s proportionate share of the net pension liability to changes in the discount rate. The following presents Southwest Aeronautics, Mathematics and Science’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Southwest Primary Learning Center’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Southwest Aeronautics, Mathematics and Science’s proportionate share of the net pension liability	<u>\$ 2,803,217</u>	<u>2,116,471</u>	<u>1,546,666</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. Southwest Aeronautics, Mathematics and Science accrued \$33,903 in ERB benefits at June 30, 2017 for teachers with ten month contracts.

NOTE 7. RESTATEMENT

As a result of adjustments made pursuant to a capital asset inventory performed for the year ended June 30, 2017, Net Position at June 30, 2016 was restated in the amount of \$291,878.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Science
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.07%	0.03%	0.03%
School's Proportionate Share of Net Pension Liability (Asset)			1,716	1,466
School's Covered-Employee Payroll	\$	840	708	724
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		0.00%	237.23%	207.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Southwest Aeronautics, Mathematics and Science is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Science
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory required contributions	93	120	139
Contributions in Relation to the Contractually Required Contribution	<u>93</u>	<u>105</u>	<u>139</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>15</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Southwest Primary Learning is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 2,210,830	2,095,861	2,095,862	1
Federal Grant	400	400	10,018	9,618
Charges for Services	150	150	2,232	2,082
Miscellaneous Income	6,500	6,500	10,839	4,339
Total Revenues	<u>2,217,880</u>	<u>2,102,911</u>	<u>2,118,951</u>	<u>16,040</u>
EXPENDITURES				
Current:				
Instruction	1,012,603	1,059,343	969,655	89,688
Support Services:				
Students	118,509	114,509	89,856	24,653
Instruction	384,361	372,000	328,048	43,952
General Administration	208,499	213,499	131,878	81,621
School Administration	314,190	318,690	246,103	72,587
Central Services	140,891	167,752	143,234	24,518
Operation & Maintenance of Plant	612,491	572,782	435,341	137,441
Student Transportation	-	6,000	6,000	-
Other Support Services Operations	-	113,814	-	113,814
Food Services Operations	-	1,000	340	660
Total Expenditures	<u>2,791,544</u>	<u>2,939,389</u>	<u>2,350,455</u>	<u>588,934</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(573,664)</u>	<u>(836,478)</u>	<u>(231,504)</u>	<u>604,974</u>
Operating Transfers	-	-	(33,515)	(33,515)
Net Changes in Fund Balances	<u>(573,664)</u>	<u>(836,478)</u>	<u>(265,019)</u>	<u>571,459</u>
Cash or Fund Balances - Beginning of Year	-	-	869,994	869,994
Cash or Fund Balances - End of Year	<u>\$ (573,664)</u>	<u>(836,478)</u>	<u>604,975</u>	<u>1,441,453</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (265,019)	
Adjustments to Revenues			7,264	
Adjustments to Expenditures			(47,211)	
NET CHANGE IN FUND BALANCE			<u>\$ (304,966)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Student Transportation 13000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 183,100	158,580	(36,469)	(195,049)
Total Revenues	<u>183,100</u>	<u>158,580</u>	<u>(36,469)</u>	<u>(195,049)</u>
EXPENDITURES				
Current:				
Student Transportation	183,100	158,580	88,870	69,710
Total Expenditures	<u>183,100</u>	<u>158,580</u>	<u>88,870</u>	<u>69,710</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(125,339)	(125,339)
Net Changes in Fund Balances	-	-	(125,339)	(125,339)
Cash or Fund Balances - Beginning of Year	-	-	195,049	195,049
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>69,710</u>	<u>69,710</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (125,339)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (125,339)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 15,067	12,079	19,041	6,962
Miscellaneous Income	-	-	-	-
Total Revenues	<u>15,067</u>	<u>12,079</u>	<u>19,041</u>	<u>6,962</u>
EXPENDITURES				
Current:				
Instruction	15,067	61,588	19,703	41,885
Total Expenditures	<u>15,067</u>	<u>61,588</u>	<u>19,703</u>	<u>41,885</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(49,509)	(662)	48,847
Net Changes in Fund Balances	<u>-</u>	<u>(49,509)</u>	<u>(662)</u>	<u>48,847</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>49,509</u>	<u>49,509</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(49,509)</u>	<u>48,847</u>	<u>98,356</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (662)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (662)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 44,097	74,437	32,686	(41,751)
Total Revenues	44,097	74,437	32,686	(41,751)
EXPENDITURES				
Current:				
Instruction	25,843	61,183	31,777	29,406
Support Services:				
Students	18,254	13,254	-	13,254
Total Expenditures	44,097	74,437	31,777	42,660
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	909	909
Net Changes in Fund Balances	-	-	909	909
Cash or Fund Balances - Beginning of Year	-	-	(7,155)	(7,155)
Cash or Fund Balances - End of Year	\$ -	-	(6,246)	(6,246)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 909	
Adjustments to Revenues			1,615	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 2,524	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 38,185	91,225	28,589	(62,636)
Total Revenues	38,185	91,225	28,589	(62,636)
EXPENDITURES				
Current:				
Instruction	10,000	10,000	9,415	585
Support Services:				
Students	28,185	81,225	13,158	68,067
Total Expenditures	38,185	91,225	22,573	68,652
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	6,016	6,016
Net Changes in Fund Balances	-	-	6,016	6,016
Cash or Fund Balances - Beginning of Year	-	-	(7,742)	(7,742)
Cash or Fund Balances - End of Year	\$ -	-	(1,726)	(1,726)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 6,016	
Adjustments to Revenues			(6,450)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (434)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Charter Schools 24146
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	4,588	4,588
Cash or Fund Balances - End of Year	\$ -	-	4,588	4,588
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher / Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 7,713	17,281	5,730	(11,551)
Total Revenues	<u>7,713</u>	<u>17,281</u>	<u>5,730</u>	<u>(11,551)</u>
EXPENDITURES				
Current:				
Instruction	5,500	10,284	4,552	5,732
Support Services:				
School Administration	1,713	6,497	374	6,123
Central Services	500	500	-	500
Total Expenditures	<u>7,713</u>	<u>17,281</u>	<u>4,926</u>	<u>12,355</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>804</u>	<u>804</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>804</u>	<u>804</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(3,410)</u>	<u>(3,410)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,606)</u>	<u>(2,606)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 804	
Adjustments to Revenues			(804)	
Adjustments to Expenditures			2,253	
NET CHANGE IN FUND BALANCE			<u>\$ 2,253</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credits Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	3,679	3,127	(552)
Total Revenues	-	3,679	3,127	(552)
EXPENDITURES				
Current:				
Instruction	-	3,679	3,679	-
Total Expenditures	-	3,679	3,679	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(552)	(552)
Net Changes in Fund Balances	-	-	(552)	(552)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(552)	(552)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (552)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (552)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Literacy for Children at Risk PED 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 3,768	3,768	3,768	-
Total Revenues	<u>3,768</u>	<u>3,768</u>	<u>3,768</u>	<u>-</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	3,768	3,768	3,768	-
Total Expenditures	<u>3,768</u>	<u>3,768</u>	<u>3,768</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	203,573	203,849	276
Total Revenues	-	203,573	203,849	276
EXPENDITURES				
Capital Outlay	-	203,573	203,573	-
Total Expenditures	-	203,573	203,573	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	276	276
Net Changes in Fund Balances	-	-	276	276
Cash or Fund Balances - Beginning of Year	-	-	(132,746)	(132,746)
Cash or Fund Balances - End of Year	\$ -	-	(132,470)	(132,470)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 276	
Adjustments to Revenues			(276)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay State 31400
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Operating Transfers	-	-	33,515	33,515
Net Changes in Fund Balances	-	-	33,515	33,515
Cash or Fund Balances - Beginning of Year	-	-	(33,515)	(33,515)
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 33,515	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 33,515	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 164,553	164,553	160,312	(4,241)
State Grant	-	-	-	-
Total Revenues	164,553	164,553	160,312	(4,241)
EXPENDITURES				
Current:				
Support Services:				
General Administration	1,600	1,600	-	1,600
Capital Outlay	162,953	162,953	-	162,953
Total Expenditures	164,553	164,553	-	164,553
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	160,312	160,312
Net Changes in Fund Balances	-	-	160,312	160,312
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	160,312	160,312
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 160,312	
Adjustments to Revenues			2,174	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 162,486	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	19,501	25,725	-	(25,725)
Total Revenues	<u>19,501</u>	<u>25,725</u>	<u>-</u>	<u>(25,725)</u>
EXPENDITURES				
Current:				
Capital Outlay	19,501	25,725	22,124	3,601
Total Expenditures	<u>19,501</u>	<u>25,725</u>	<u>22,124</u>	<u>3,601</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(22,124)</u>	<u>(22,124)</u>
Operating Transfers	<u>-</u>	<u>-</u>	<u>(86,774)</u>	<u>(86,774)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(108,898)</u>	<u>(108,898)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>86,774</u>	<u>86,774</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(22,124)</u>	<u>(22,124)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (108,898)	
Adjustments to Revenues			22,071	
Adjustments to Expenditures			<u>(2,876)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (89,703)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements - Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 82,462	82,462	82,797	335
State Grant	-	-	-	-
Total Revenues	<u>82,462</u>	<u>82,462</u>	<u>82,797</u>	<u>335</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	800	800	-	800
Capital Outlay	165,626	168,436	122,536	45,900
Total Expenditures	<u>166,426</u>	<u>169,236</u>	<u>122,536</u>	<u>46,700</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(83,964)</u>	<u>(86,774)</u>	<u>(39,739)</u>	<u>47,035</u>
Operating Transfers	-	-	86,774	86,774
Net Changes in Fund Balances	<u>(83,964)</u>	<u>(86,774)</u>	<u>47,035</u>	<u>133,809</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (83,964)</u>	<u>(86,774)</u>	<u>47,035</u>	<u>133,809</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 47,035	
Adjustments to Revenues			-	
Adjustments to Expenditures			(45,900)	
NET CHANGE IN FUND BALANCE			<u>\$ 1,135</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Federal Home Loan Bank of Dallas	Freddie Mac	3137EACA5	3/27/2019	\$ 182,082
Federal Home Loan Bank of Dallas	Freddie Mac	3137EACA5	3/27/2019	312,140
				<u>\$ 494,222</u>
Total Cash per Schedule of Cash Accounts:				\$ 897,438
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				647,438
Collateral Requirement:				323,719
Pledged Collateral Held by Pledging Financial Institution:				<u>494,222</u>
Balance Over Collateralized:				<u>\$ 170,503</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 153,216</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Nusenda Credit Union</u>
Checking - Operational Account	\$ 892,035
Savings - Operational Account	5,403
	<hr/>
<i>Total on Deposit</i>	897,438
Reconciling Items	(3,014)
	<hr/>
Reconciled Balance June 30, 2017	894,424
	<hr/>
Less Agency Funds	(4,645)
	<hr/>
<i>Total Cash</i>	<u><u>\$ 889,779</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics and Sciences
Cash Reconciliation
June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Student Activity Funds 23000	Federal Flowthrough 24000
Cash, June 30, 2016	\$ 968,944	195,049	49,509	(974)	(9,238)
Add:					
Cash Transfers	-	-	-	-	-
2016-17 revenues	2,118,951	(36,469)	19,041	13,141	66,357
Total cash available	3,087,895	158,580	68,550	12,167	57,119
Less:					
Cash Transfers	-	-	-	-	-
2016-17 expenditures	(2,350,455)	(88,870)	(19,703)	(7,522)	(59,276)
Receivables/Payables	116,655	-	-	-	3,381
Loans	(162,343)	-	-	-	7,197
Prepaid Expenses	-	-	-	-	-
Cash June 30, 2017	691,752	69,710	48,847	4,645	8,421
Fund Balance Reconciliations to GAAP Basis:					
Audit reclassifications to cash	(132,465)	-	-	-	(3,833)
Cash per Books	559,287	69,710	48,847	4,645	4,588
Fund Balance (Deficit) Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	(147,701)	-	-	-	(4,749)
Fund Balance (Deficit), Modified Accrual Basis	\$ 544,051	69,710	48,847	4,645	3,672

The accompanying notes are an integral part of these financial statements

State Flowthrough 27000	Public School Capital Outlay 31200	Special Capital Outlay State 31400	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Capital Improvements SB-9 Local 31701	Total
-	(132,746)	(33,515)	-	86,774	-	1,123,803
-	-	33,515	-	-	86,774	120,289
6,895	203,849	-	160,312	-	82,797	2,634,874
6,895	71,103	-	160,312	86,774	169,571	3,878,966
-	-	-	-	-	-	-
(7,447)	(203,573)	-	-	(22,124)	(122,536)	(2,881,506)
-	-	-	-	-	-	120,036
552	132,470	-	-	22,124	-	-
-	-	-	-	-	-	-
-	-	-	160,312	86,774	47,035	1,117,496
-	-	-	-	(86,774)	-	(223,072)
-	-	-	160,312	-	47,035	894,424
					Less Agency Fund	(4,645)
					Total Governmental Funds	\$ 889,779
(552)	(81,576)	-	2,174	(88,351)	(45,900)	(366,655)
(552)	(81,576)	-	162,486	(1,577)	1,135	750,841
					Less Agency Fund	(4,645)
					Total Governmental Funds	\$ 746,196

SOUTHWEST INTERMEDIATE LEARNING CENTER

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 943,776
Receivables	
Taxes Receivable	1,646
Due from Other Governments	188
Total Current Assets	<u>945,610</u>

Noncurrent Assets:

Capital Assets	
Building Improvements	14,151
Furniture, Fixtures, and Equipment	125,182
Less: Accumulated Depreciation	<u>(79,185)</u>
Total Noncurrent Assets	<u>60,148</u>
Total Assets	<u>1,005,758</u>

Deferred Outflows - Pension Related	<u>189,687</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accrued Liabilities	<u>29,612</u>
Total Current Liabilities	<u>29,612</u>

Noncurrent Liabilities:

Net Pension Liability	<u>1,020,454</u>
Total Noncurrent Liabilities	<u>1,020,454</u>
Total Liabilities	<u>1,050,066</u>

Deferred Inflows - Pension Related	<u>89,432</u>
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NET POSITION

Net Investment in Capital Assets	60,148
Restricted	530,503
Unrestricted (Deficit)	<u>(534,704)</u>
Total Net Position	<u>\$ 55,947</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 464,407	40	18,511	-	(445,856)
Support Services:					
Students	39,903	-	-	-	(39,903)
Instruction	106,693	-	-	-	(106,693)
General Administration	105,180	-	-	-	(105,180)
School Administration	90,126	-	-	-	(90,126)
Central Services	102,762	-	-	-	(102,762)
Operation & Maintenance of Plant	81,702	-	-	-	(81,702)
Community Services Operations	1,409	-	-	-	(1,409)
Facilities Materials, Supplies & Other Services	102,355	-	-	80,988	(21,367)
Total Governmental Activities	\$ 1,094,537	40	18,511	80,988	(994,998)
General Revenues:					
Property Taxes				\$	102,056
State Equalization Guarantee					823,366
Miscellaneous					4,849
Total General Revenues					<u>930,271</u>
Change in Net Position					<u>(64,727)</u>
Net Position, Beginning as Previously Reported					51,223
Restatement (Note 8)					69,451
Net Position, Beginning, As Restated					<u>120,674</u>
Net Position, Ending					<u>\$ 55,947</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS				
Cash and Cash Equivalents	\$ 414,991	-	-	-
Accounts Receivable				
Taxes Receivable	-	-	-	-
Due from Governments	-	-	-	188
Due from Other Funds	15,882	-	-	-
Total Assets	\$ 430,873	-	-	188
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accrued Liabilities	\$ 29,612	-	-	-
Due to Other Funds	-	-	-	116
Total Liabilities	29,612	-	-	116
<i>Fund Balances (Deficit)</i>				
Fund Balance:				
Restricted for:				
Instruction	-	-	-	72
Capital Improvements	-	-	-	-
Unassigned (Deficit)	401,261	-	-	-
Total Fund Balance (Deficit)	401,261	-	-	72
Total Liabilities and Fund Balances	\$ 430,873	-	-	188

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Public School Capital Outlay 31200	Special Capital Outlay State 31400	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
-	-	-	448,408	-	80,377	943,776
-	-	-	1,105	-	541	1,646
-	-	-	-	-	-	188
-	-	-	-	-	-	15,882
-	-	-	449,513	-	80,918	961,492
-	-	-	-	-	-	29,612
1,202	14,564	-	-	-	-	15,882
1,202	14,564	-	-	-	-	45,494
-	-	-	-	-	-	72
-	-	-	449,513	-	80,918	530,431
(1,202)	(14,564)	-	-	-	-	385,495
(1,202)	(14,564)	-	449,513	-	80,918	915,998
-	-	-	449,513	-	80,918	961,492

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017

Fund Balances - Total Governmental Funds **\$ 915,998**

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

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

Capital Assets	139,333	
Accumulated Depreciation	<u>(79,185)</u>	60,148

Defined benefit pension plan deferred outflows are not financial resources and, therefore, and not reported in the funds		189,687
--	--	---------

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		
Net Pension Liability		(1,020,454)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		<u>(89,432)</u>
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Net Position - Total Governmental Activities **\$ 55,947**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	823,366	7,653	-	-
Federal Grant	1,854	-	302	6,248
Charges for Services	40	-	-	-
Miscellaneous Income	4,849	-	-	-
Total Revenues	<u>830,109</u>	<u>7,653</u>	<u>302</u>	<u>6,248</u>
EXPENDITURES				
Current:				
Instruction	429,220	11,502	346	-
Support Services:				
Students	33,655	-	-	6,248
Instruction	106,693	-	-	-
General Administration	105,180	-	-	-
School Administration	90,126	-	-	-
Central Services	102,762	-	-	-
Operation & Maintenance of Plant	81,702	-	-	-
Community Services Operation	1,409	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>950,747</u>	<u>11,502</u>	<u>346</u>	<u>6,248</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(120,638)</u>	<u>(3,849)</u>	<u>(44)</u>	<u>-</u>
Other financing sources (uses)				
Operating Transfers	<u>(16,268)</u>	-	-	-
Total Other financing sources (uses)	<u>(16,268)</u>	-	-	-
Net Changes in Fund Balances	<u>(136,906)</u>	<u>(3,849)</u>	<u>(44)</u>	<u>-</u>
Fund Balances(Deficit) - Beginning of Year	<u>538,167</u>	<u>3,849</u>	<u>44</u>	<u>72</u>
Fund Balances (Deficit) - End of Year	<u>\$ 401,261</u>	<u>-</u>	<u>-</u>	<u>72</u>

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Public School Capital Outlay 31200	Special Capital Outlay State 31400	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
-	-	-	68,367	(532)	34,221	102,056
-	80,988	-	-	-	-	912,007
2,454	-	-	-	-	-	10,858
-	-	-	-	-	-	40
-	-	-	-	-	-	4,849
<u>2,454</u>	<u>80,988</u>	<u>-</u>	<u>68,367</u>	<u>(532)</u>	<u>34,221</u>	<u>1,029,810</u>
248	-	-	-	-	-	441,316
-	-	-	-	-	-	39,903
-	-	-	-	-	-	106,693
-	-	-	-	-	-	105,180
-	-	-	-	-	-	90,126
-	-	-	-	-	-	102,762
-	-	-	-	-	-	81,702
-	-	-	-	-	-	1,409
-	80,988	-	-	-	-	80,988
<u>248</u>	<u>80,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,050,079</u>
<u>2,206</u>	<u>-</u>	<u>-</u>	<u>68,367</u>	<u>(532)</u>	<u>34,221</u>	<u>(20,269)</u>
-	-	16,268	-	(46,697)	46,697	-
-	-	16,268	-	(46,697)	46,697	-
<u>2,206</u>	<u>-</u>	<u>16,268</u>	<u>68,367</u>	<u>(47,229)</u>	<u>80,918</u>	<u>(20,269)</u>
<u>(3,408)</u>	<u>(14,564)</u>	<u>(16,268)</u>	<u>381,146</u>	<u>47,229</u>	<u>-</u>	<u>936,267</u>
<u>(1,202)</u>	<u>(14,564)</u>	<u>-</u>	<u>449,513</u>	<u>-</u>	<u>80,918</u>	<u>915,998</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (20,269)**

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

Change in net pension liability (23,091)

Expenditures to purchase or build capital assets, pay for interest on debt,
and amortization on long term 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 capital outlay exceeds depreciation for the
period

Depreciation Expense (21,367)

Change in Net Position-Total Governmental Activities **\$ (64,727)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Agency</u>
ASSETS	
Cash in Bank	<u>\$ 16,291</u>
Total Assets	<u><u>\$ 16,291</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 16,291</u>
Total Liabilities	<u><u>\$ 16,291</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 10,060	7,749	(1,518)	16,291
Total Assets	<u>\$ 10,060</u>	<u>7,749</u>	<u>(1,518)</u>	<u>16,291</u>
 LIABILITIES				
Deposits Held for Others	\$ 10,060	7,749	(1,518)	16,291
Total Liabilities	<u>\$ 10,060</u>	<u>7,749</u>	<u>(1,518)</u>	<u>16,291</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Southwest Intermediate Learning Center's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Southwest Intermediate Learning Center (SILC) does not capitalize any interest with regard to its capital assets.

SILC Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. SILC utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years
Vehicles	10 years

Capital assets for SILC are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Adjustments	June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Building Improvements	\$ 14,151	-	-	14,151
Furniture, Fixtures and Equipment	155,776	-	(30,594)	125,182
<i>Total</i>	<u>169,927</u>	-	<u>(30,594)</u>	<u>139,333</u>
<i>Less: Accumulated Depreciation</i>	(157,863)	(21,367)	100,045	(79,185)
Capital Assets, Net	<u>\$ 12,064</u>	<u>(21,367)</u>	<u>69,451</u>	<u>60,148</u>

Depreciation expensed for the year ended June 30, 2017 was expensed to the following functions:

Facilities Materials, Supplies & Other	<u>\$ 21,367</u>
Total	<u>\$ 21,367</u>

NOTE 3. COMMITMENTS AND LIABILITIES

Southwest Intermediate Learning Center leased various facilities and equipment under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$110,149. Southwest Intermediate Learning Center's has no minimum future payments on these leases.

NOTE 4. DEFICIT FUND BALANCE

The following funds had a deficit fund balance at June 30, 2017:

24154 Teacher / Principal Training	\$ 1,202
31200 Public School Capital Outlay	<u>14,564</u>
Total funds with deficit balances	<u>\$ 15,766</u>

SILC is addressing the negative fund balances and is planning on taking the appropriate actions to eliminate the negative balances.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 5. OVERSPENT BUDGET LINE ITEMS

Southwest Intermediate Learning Center had one fund with expenditures in excess of the budget during the year ended June 30, 2017:

14000 Instructional Materials, Instruction	\$	3,222
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NOTE 6. RELATED PARTY TRANSACTIONS

The same administration operates all four schools: Southwest Secondary, Intermediate and Primary Learning Centers and Southwest Intermediate Learning Center Academy.

NOTE 7. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Southwest Intermediate Learning Center and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Southwest Intermediate Learning Center paid employee and employer contributions of \$63,274 and \$56,277

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 7. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Southwest Intermediate Learning Center reported a liability of \$1,020,454 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Southwest Intermediate Learning Center's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Southwest Intermediate Learning Center's proportion was 0.01418%, which was an increase of 0.00020% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Southwest Intermediate Learning Center recognized pension expense of \$89,270. As of June 30, 2017, Southwest Intermediate Learning Center reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,427	(9,705)
Changes in assumptions	20,772	-
Net difference between projected and actual earnings on pension plan investments	60,913	-
Changes in proportion and differences between Southwest Intermediate Learning Center's contributions and proportionate share of contributions	40,301	(79,727)
Southwest Intermediate Learning Center's contributions subsequent to the measurement date	63,274	-
Total	\$ 189,687	(89,432)

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 7. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

The amount of \$63,274 reported as deferred outflows of resources related to pensions resulting from Southwest Intermediate Learning Center’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 7,584
2019	(16,916)
2020	31,458
2021	<u>14,855</u>
Total	<u>\$ 36,981</u>

Sensitivity of Southwest Intermediate Learning Center’s proportionate share of the net pension liability to changes in the discount rate. The following presents Southwest Intermediate Learning Center’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Southwest Intermediate Learning Center’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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Southwest Intermediate Learning Center’s proportionate share of the net pension liability	<u>\$ 1,351,568</u>	<u>1,020,454</u>	<u>745,723</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. Southwest Intermediate Learning Center accrued \$13,302 in ERB benefits at June 30, 2017 for teachers with ten month contracts.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 8. RESTATEMENT

As a result of adjustments made pursuant to a capital asset inventory performed for the year ended June 30, 2017, Net Position at June 30, 2016 was restated in the amount of \$69,451.

NOTE 9. SUBSEQUENT EVENTS

The School's charter expired on June 30, 2017. Beginning July 1, 2017, Southwest Secondary Learning Center (SSLC) assumed and accepted all assets and liabilities of Southwest Intermediate Learning Center (SILC). SSLC also agreed to serve as the official registrar and custodian of all student records and personnel files of SILC.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.07%	0.02%	0.02%
School's Proportionate Share of Net Pension Liability (Asset)	\$	1,020	906	945
School's Covered-Employee Payroll	\$	405	382	457
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		251.85%	237.23%	207.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Southwest Intermediate Learning Center is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Statutory required contributions	\$ 60	63	53
Contributions in Relation to the Contractually Required Contribution	60	55	53
Annual contribution deficiency (excess)	\$ -	8	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Southwest Intermediate Learning is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 912,492	879,335	823,366	(55,969)
Federal Grant	-	-	1,854	1,854
Charges for Services	-	-	40	40
Miscellaneous Income	3,500	3,500	4,849	1,349
Total Revenues	915,992	882,835	830,109	(52,726)
EXPENDITURES				
Current:				
Instruction	509,295	503,218	429,220	73,998
Support Services:				
Students	22,500	52,660	33,655	19,005
Instruction	147,156	123,796	106,693	17,103
General Administration	166,437	183,577	105,180	78,397
School Administration	63,688	103,825	90,126	13,699
Central Services	135,698	126,012	106,127	19,885
Operation & Maintenance of Plant	132,099	114,708	81,702	33,006
Other Support Services Operations	170,980	170,980	-	170,980
Community Services Operations	-	1,550	1,409	141
Total Expenditures	1,347,853	1,380,326	954,112	426,214
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(431,861)	(497,491)	(124,003)	373,488
Operating Transfers	-	-	(16,268)	(16,268)
Net Changes in Fund Balances	(431,861)	(497,491)	(140,271)	357,220
Cash or Fund Balances - Beginning of Year	-	-	541,532	541,532
Cash or Fund Balances - End of Year	\$ (431,861)	(497,491)	401,261	898,752
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (140,271)	
Adjustments to Revenues			-	
Adjustments to Expenditures			3,365	
NET CHANGE IN FUND BALANCE			\$ (136,906)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 6,196	4,431	7,653	3,222
Total Revenues	<u>6,196</u>	<u>4,431</u>	<u>7,653</u>	<u>3,222</u>
EXPENDITURES				
Current:				
Instruction	6,196	8,280	11,502	(3,222)
Total Expenditures	<u>6,196</u>	<u>8,280</u>	<u>11,502</u>	<u>(3,222)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(3,849)	(3,849)	-
Net Changes in Fund Balances	-	(3,849)	(3,849)	-
Cash or Fund Balances - Beginning of Year	-	-	3,849	3,849
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(3,849)</u>	<u>-</u>	<u>3,849</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,849)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (3,849)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 15,267	17,859	3,572	(14,287)
Total Revenues	<u>15,267</u>	<u>17,859</u>	<u>3,572</u>	<u>(14,287)</u>
EXPENDITURES				
Current:				
Instruction	15,267	17,859	346	17,513
Total Expenditures	<u>15,267</u>	<u>17,859</u>	<u>346</u>	<u>17,513</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	3,226	3,226
Net Changes in Fund Balances	-	-	3,226	3,226
Cash or Fund Balances - Beginning of Year	-	-	(3,226)	(3,226)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 3,226	
Adjustments to Revenues			(3,270)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (44)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 13,311	33,340	6,792	(26,548)
Total Revenues	13,311	33,340	6,792	(26,548)
EXPENDITURES				
Current:				
Support Services:				
Students	13,311	33,340	6,248	27,092
Total Expenditures	13,311	33,340	6,248	27,092
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	544	544
Net Changes in Fund Balances	-	-	544	544
Cash or Fund Balances - Beginning of Year	-	-	(660)	(660)
Cash or Fund Balances - End of Year	\$ -	-	(116)	(116)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 544	
Adjustments to Revenues			(544)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher / Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 2,935	6,159	3,404	(2,755)
Total Revenues	<u>2,935</u>	<u>6,159</u>	<u>3,404</u>	<u>(2,755)</u>
EXPENDITURES				
Current:				
Instruction	1,467	3,079	248	2,831
Total Expenditures	<u>1,467</u>	<u>3,079</u>	<u>248</u>	<u>2,831</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>1,468</u>	<u>3,080</u>	<u>3,156</u>	<u>76</u>
Net Changes in Fund Balances	<u>1,468</u>	<u>3,080</u>	<u>3,156</u>	<u>76</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(4,358)</u>	<u>(4,358)</u>
Cash or Fund Balances - End of Year	<u>\$ 1,468</u>	<u>3,080</u>	<u>(1,202)</u>	<u>(4,282)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 3,156	
Adjustments to Revenues			(950)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 2,206</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	80,988	101,255	20,267
Total Revenues	-	80,988	101,255	20,267
EXPENDITURES				
Capital Outlay	-	80,988	80,988	-
Total Expenditures	-	80,988	80,988	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	20,267	20,267
Net Changes in Fund Balances	-	-	20,267	20,267
Cash or Fund Balances - Beginning of Year	-	-	(34,831)	(34,831)
Cash or Fund Balances - End of Year	\$ -	-	(14,564)	(14,564)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 20,267	
Adjustments to Revenues			(20,267)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay State 31400
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Operating Transfers	-	-	16,268	16,268
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>16,268</u>	<u>16,268</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(16,268)</u>	<u>(16,268)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 16,268	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 16,268</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	-	68,360	68,360
Total Revenues	-	-	68,360	68,360
EXPENDITURES				
Current:				
Support Services:				
General Administration	1,000	1,000	-	1,000
Capital Outlay	353,050	379,048	-	379,048
Total Expenditures	354,050	380,048	-	380,048
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(354,050)	(380,048)	68,360	448,408
Net Changes in Fund Balances	(354,050)	(380,048)	68,360	448,408
Cash or Fund Balances - Beginning of Year	-	-	380,048	380,048
Cash or Fund Balances - End of Year	\$ (354,050)	(380,048)	448,408	828,456
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 68,360	
Adjustments to Revenues			7	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 68,367</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	10,376	12,659	-	(12,659)
Total Revenues	10,376	12,659	-	(12,659)
EXPENDITURES				
Current:				
Capital Outlay	10,376	12,659	-	12,659
Total Expenditures	10,376	12,659	-	12,659
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Operating Transfers	-	-	(46,697)	(46,697)
Net Changes in Fund Balances	-	-	(46,697)	(46,697)
Cash or Fund Balances - Beginning of Year	-	-	46,697	46,697
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (46,697)	
Adjustments to Revenues			(532)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (47,229)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 33,596	33,596	33,680	84
State Grant	-	-	-	-
Total Revenues	<u>33,596</u>	<u>33,596</u>	<u>33,680</u>	<u>84</u>
EXPENDITURES				
Current:				
Capital Outlay	81,406	80,293	-	80,293
Total Expenditures	<u>81,406</u>	<u>80,293</u>	<u>-</u>	<u>80,293</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(47,810)</u>	<u>(46,697)</u>	<u>33,680</u>	<u>80,377</u>
Operating Transfers	-	-	46,697	46,697
Net Changes in Fund Balances	<u>(47,810)</u>	<u>(46,697)</u>	<u>80,377</u>	<u>127,074</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (47,810)</u>	<u>(46,697)</u>	<u>80,377</u>	<u>127,074</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 80,377	
Adjustments to Revenues			541	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 80,918</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Federal Home Loan Bank of Dallas	Freddie Mac	3137EACA5	3/27/2019	\$ 156,070
Federal Home Loan Bank of Dallas	Freddie Mac	3137EACA5	3/27/2019	234,105
				<u>\$ 390,176</u>
Total Cash per Schedule of Cash Accounts:				\$ 963,687
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				713,687
Collateral Requirement:				356,844
Pledged Collateral Held by Pledging Financial Institution:				<u>390,176</u>
Balance Over Collateralized:				<u>\$ 33,332</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 323,512</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Nusenda Credit Union</u>
Checking - Operational Account	\$ 959,950
Savings - Operational Account	<u>3,737</u>
<i>Total on Deposit</i>	963,687
Reconciling Items	<u>(3,620)</u>
Reconciled Balance June 30, 2017	<u>960,067</u>
Less Agency Funds	<u>(16,291)</u>
<i>Total Cash</i>	<u><u>\$ 943,776</u></u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Student Activity Funds 23000	Federal Flowthrough 24000
Cash, June 30, 2016	\$ 559,895	3,849	10,060	(8,157)
Add:				
Cash Transfers	-	-	-	-
2016-17 revenues	830,109	7,653	7,749	13,789
Total cash available	1,390,004	11,502	17,809	5,632
Less:				
Cash Transfers	(16,268)	-	-	-
2016-17 expenditures	(954,112)	(11,502)	(1,518)	(6,842)
Receivables/Payables	29,612	-	-	-
Loans	(15,882)	-	-	15,882
Cash June 30, 2017	433,354	-	16,291	14,672
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	(18,363)	-	-	(14,672)
Cash per Books	414,991	-	16,291	-
Fund Balance (Deficit) Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(32,093)	-	-	(15,802)
Fund Balance (Deficit), Modified Accrual Basis	\$ 401,261	-	16,291	(1,130)

The accompanying notes are an integral part of these financial statements

Public School Capital Outlay 31200	Special Capital Outlay State 31400	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Capital Improvements SB-9 31701	Total
(34,831)	(16,268)	380,048	46,697	-	941,293
-	16,268	-	-	46,697	62,965
101,255	-	68,360	-	33,680	1,062,595
66,424	-	448,408	46,697	80,377	2,066,853
-	-	-	(46,697)	-	(62,965)
(80,988)	-	-	-	-	(1,054,962)
-	-	-	-	-	29,612
-	-	-	-	-	-
(14,564)	-	448,408	-	80,377	978,538
14,564	-	-	-	-	(18,471)
-	-	448,408	-	80,377	960,067
				Less Agency Funds	(16,291)
				Total Governmental Funds	943,776
-	-	1,105	-	541	(46,249)
(14,564)	-	449,513	-	80,918	932,289
				Less Agency Funds	(16,291)
				Total Governmental Funds	\$ 915,998

SOUTHWEST PRIMARY LEARNING CENTER

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 722,822
Receivables	
Taxes Receivable	1,477
Due from Other Governments	4,354
Total Current Assets	<u>728,653</u>

Noncurrent Assets:

Capital Assets	
Land Improvements	2,800
Building Improvements	111,832
Furniture, Fixtures and Equipment	101,427
Less: Accumulated Depreciation	(125,786)
Total Noncurrent Assets	<u>90,273</u>
Total Assets	<u>818,926</u>

Deferred Outflows - Pension Related

213,422

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	24,024
Accrued Liabilities	54,895
Total Current Liabilities	<u>78,919</u>

Noncurrent Liabilities:

Net Pension Liability	1,175,178
Total Noncurrent Liabilities	<u>1,175,178</u>
Total Liabilities	<u>1,254,097</u>

Deferred Inflows - Pension Related

103,003

NET POSITION (DEFICIT)

Net Investment in Capital Assets	90,273
Restricted	512,507
Unrestricted (Deficit)	(927,532)
Total Net Position (Deficit)	<u>\$ (324,752)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Statement of Activities
For The Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 490,891	1,713	30,701	-	(458,477)
Support Services:					
Students	13,383	-	-	-	(13,383)
Instruction	43,055	-	-	-	(43,055)
General Administration	104,467	-	-	-	(104,467)
School Administration	43,067	-	-	-	(43,067)
Central Services	90,844	-	-	-	(90,844)
Operation & Maintenance of Plant	86,378	-	-	-	(86,378)
Community Services	3,113	-	-	-	(3,113)
Facilities Materials, Supplies & Other Services	95,719	-	-	75,466	(20,253)
Total Governmental Activities	\$ 970,917	1,713	30,701	75,466	(863,037)
General Revenues:					
					\$ 93,319
					797,842
					3,366
					<u>894,527</u>
Change in Net Position					31,490
Net Position (Deficit), Beginning as Previously Reported					(373,066)
Restatement (Note 7)					<u>16,824</u>
Net Position (Deficit), Beginning, as Restated					(356,242)
Net position (Deficit), Ending					<u>\$ (324,752)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Balance Sheets - Governmental Funds
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS				
Cash and Cash Equivalents	\$ 213,336	4,968	-	6,413
Accounts Receivable				
Taxes Receivable	-	-	-	-
Due from Governments	-	-	2,810	1,544
Due from Other Funds	22,583	-	-	-
Total Assets	\$ 235,919	4,968	2,810	7,957
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 24,024	-	-	-
Accrued Liabilities	53,035	-	1,860	-
Due to Other Funds	-	-	2,176	-
Total Liabilities	77,059	-	4,036	-
Fund Balances (Deficit)				
Fund Balance:				
Restricted for:				
Instruction	-	4,968	-	7,957
Capital Improvements	-	-	-	-
Unassigned (Deficit)	158,860	-	(1,226)	-
Total Fund Balance (Deficit)	158,860	4,968	(1,226)	7,957
Total Liabilities and Fund Balances	\$ 235,919	4,968	2,810	7,957

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Literacy for Children at Risk PED 27107	Private Direct Grants 29102	Public School Capital Outlay 31200	Capital Improvements HB-33 31600
-	-	-	-	431,042
-	-	-	-	992
-	-	-	-	-
-	-	-	-	-
-	-	-	-	432,034
-	-	-	-	-
-	-	-	-	-
-	-	984	19,423	-
-	-	984	19,423	-
-	-	-	-	-
-	-	-	-	432,034
-	-	(984)	(19,423)	-
-	-	(984)	(19,423)	432,034
-	-	-	-	432,034

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
ASSETS			
Cash and Cash Equivalents	\$ -	67,063	722,822
Accounts Receivable			
Taxes Receivable	-	485	1,477
Due from Governments	-	-	4,354
Due from Other Funds	-	-	22,583
Total Assets	\$ -	67,548	751,236
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	-	24,024
Accrued Liabilities	-	-	54,895
Due to Other Funds	-	-	22,583
Total Liabilities	-	-	101,502
Fund Balances (Deficit)			
Fund Balance:			
Restricted for:			
Instruction	-	-	12,925
Capital Improvements	-	67,548	499,582
Unassigned (Deficit)	-	-	137,227
Total Fund Balance (Deficit)	-	67,548	649,734
Total Liabilities and Fund Balances	\$ -	67,548	751,236

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 649,734**

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

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

Capital Assets	216,059	
Accumulated Depreciation	(125,786)	
	90,273	90,273

Defined benefit pension plan deferred outflows are not financial resources and, therefore, and not reported in the funds		213,422
--	--	---------

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		
Net Pension Liability		(1,175,178)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		(103,003)
		(103,003)

Net Position (Deficit) - Total Governmental Activities **\$ (324,752)**

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	797,842	7,190	-	-
Federal Grant	204	-	14,793	8,265
Charges for Services	1,713	-	-	-
Miscellaneous Income	3,366	-	-	-
Total Revenues	803,125	7,190	14,793	8,265
EXPENDITURES				
Current:				
Instruction	451,396	18,253	14,793	-
Support Services:				
Students	5,118	-	-	8,265
Instruction	43,055	-	-	-
General Administration	104,467	-	-	-
School Administration	43,067	-	-	-
Central Services	90,844	-	-	-
Operation & Maintenance of Plant	86,378	-	-	-
Community Service Operations	3,113	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	827,438	18,253	14,793	8,265
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(24,313)</u>	<u>(11,063)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Operating Transfers	(987)	-	-	-
Total Other financing sources (uses)	(987)	-	-	-
Net Changes in Fund Balances	(25,300)	(11,063)	-	-
Fund Balances(Deficit) - Beginning of Year	184,160	16,031	(1,226)	7,957
Fund Balances (Deficit) - End of Year	\$ 158,860	4,968	(1,226)	7,957

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Literacy for Children at Risk PED 27107	Private Direct Grants 29102	Public School Capital Outlay 31200	Capital Improvements HB-33 31600
-	-	-	-	62,192
-	-	-	75,466	-
249	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>249</u>	<u>-</u>	<u>-</u>	<u>75,466</u>	<u>62,192</u>
249	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	75,466	-
<u>249</u>	<u>-</u>	<u>-</u>	<u>75,466</u>	<u>-</u>
-	-	-	-	62,192
-	987	-	-	-
-	987	-	-	-
-	987	-	-	62,192
-	(987)	(984)	(19,423)	369,842
-	-	(984)	(19,423)	432,034

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - Continued
Governmental Funds
For The Year Ended June 30, 2017**

	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
REVENUES			
Property Taxes	\$ -	31,127	93,319
State Grant	-	-	880,498
Federal Grant	-	-	23,511
Charges for Services	-	-	1,713
Miscellaneous Income	-	-	3,366
Total Revenues	<u>-</u>	<u>31,127</u>	<u>1,002,407</u>
EXPENDITURES			
Current:			
Instruction	-	-	484,691
Support Services:			
Students	-	-	13,383
Instruction	-	-	43,055
General Administration	-	-	104,467
School Administration	-	-	43,067
Central Services	-	-	90,844
Operation & Maintenance of Plant	-	-	86,378
Community Service Operations	-	-	3,113
Capital Outlay	-	-	75,466
Total Expenditures	<u>-</u>	<u>-</u>	<u>944,464</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>31,127</u>	<u>57,943</u>
Other financing sources (uses)			
Operating Transfers	(36,421)	36,421	-
Total Other financing sources (uses)	(36,421)	36,421	-
Net Changes in Fund Balances	<u>(36,421)</u>	<u>67,548</u>	<u>57,943</u>
Fund Balances(Deficit) - Beginning of Year	<u>36,421</u>	<u>-</u>	<u>591,791</u>
Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>67,548</u>	<u>649,734</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 57,943**

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

Change in net pension liability and related accounts (21,330)

Expenditures to purchase or build capital assets, pay for interest on debt,
and amortization on long term 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 capital outlay exceeds depreciation for the
period

Capital Outlays	15,130	
Depreciation Expense	(20,253)	
	(5,123)	(5,123)

Change in Net Position-Total Governmental Activities **\$ 31,490**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Funds</u>
ASSETS	
Cash in Bank	\$ 14,257
Total Assets	<u>\$ 14,257</u>
LIABILITIES	
Deposits Held for Others	\$ 14,257
Total Liabilities	<u>\$ 14,257</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 9,377	8,188	(3,308)	14,257
Total Assets	<u>\$ 9,377</u>	<u>8,188</u>	<u>(3,308)</u>	<u>14,257</u>
 LIABILITIES				
Deposits Held for Others	\$ 9,377	8,188	(3,308)	14,257
Total Liabilities	<u>\$ 9,377</u>	<u>8,188</u>	<u>(3,308)</u>	<u>14,257</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Southwest Primary Learning Center's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Southwest Primary Learning Center (SPLC) does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. SPLC utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years
Vehicles	10 years

Capital assets for SPLC are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Adjustments	June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Land Improvements	\$	-	2,800	2,800
Building Improvements	16,336	15,130	80,366	111,832
Furniture, Fixtures and Equipment	219,996	-	(118,569)	101,427
<i>Total</i>	<u>236,332</u>	<u>15,130</u>	<u>(35,403)</u>	<u>216,059</u>
<i>Less: Accumulated Depreciation</i>	<u>(157,760)</u>	<u>(20,253)</u>	<u>52,227</u>	<u>(125,786)</u>
Capital Assets, Net	<u>\$ 78,572</u>	<u>(5,123)</u>	<u>16,824</u>	<u>90,273</u>

Depreciation expensed for the year ended June 30, 2017 was expensed to the following functions:

Facilities Materials, Supplies & Other	\$	20,253
Total	<u>\$</u>	<u>20,253</u>

NOTE 3. COMMITMENTS AND LIABILITIES

Southwest Primary Learning Center leased various facilities and equipment under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$105,360. Southwest Primary Learning Center's minimum future payments on these leases are as follows:

Year Ending June 30:	
2018	<u>\$ 204,107</u>
Total minimum lease payments	<u>\$ 204,107</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 4. DEFICIT FUND BALANCE

The following funds had a deficit fund balance at June 30, 2017:

24101 Title I	\$	1,226
29102 Private Direct Grants		984
31200 Public School Capital Outlay		<u>19,423</u>
Total funds with deficit balances	\$	<u>21,633</u>

SPLC is addressing the negative fund balances and is planning on taking the appropriate actions to eliminate the negative balances.

NOTE 5. RELATED PARTY TRANSACTIONS

The same administration operates all four schools: Southwest Secondary, Primary and Primary Learning Centers and Southwest Primary Learning Center Academy.

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Southwest Primary Learning Center and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Southwest Primary Learning Center paid employee and employer contributions of \$53,087 and \$64,831.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Southwest Primary Learning Center reported a liability of \$1,175,178 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Southwest Primary Learning Center's proportion of the net pension liability was based on a projection of Southwest Primary Learning Center's long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2016 Southwest Primary Learning Center's proportion was 0.01633%, which was an increase of .00130% from its proportion measured as of June 30, 2015.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

For the year ended June 30, 2017, Southwest Primary Learning Center recognized pension expense of \$79,754. As of June 30, 2017, Southwest Primary Learning Center reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,099	(11,177)
Changes in assumptions	23,922	-
Net difference between projected and actual earnings on pension plan investments	70,148	-
Changes in proportion and differences between Southwest Primary Learning Center's contributions and proportionate share of contributions	61,166	(91,826)
Southwest Primary Learning Center's contributions subsequent to the measurement date	<u>53,087</u>	<u>-</u>
Total	<u>\$ 213,422</u>	<u>(103,003)</u>

The amount of \$53,087 reported as deferred outflows of resources related to pensions resulting from Southwest Primary Learning Center's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ (9,291)
2019	(701)
2020	50,218
2021	<u>17,106</u>
Total	<u>\$ 57,322</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Notes to the Financial Statements
June 30, 2017

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Sensitivity of Southwest Primary Learning Center’s proportionate share of the net pension liability to changes in the discount rate. The following presents Southwest Primary Learning Center’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Southwest Primary Learning Center’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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Southwest Primary Learning Center’s proportionate share of the net pension liability	<u>\$ 1,556,495</u>	<u>1,175,178</u>	<u>858,792</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. Southwest Primary Learning Center accrued \$13,888 in ERB benefits at June 30, 2017 for teachers with ten month contracts.

NOTE 7. RESTATEMENT

As a result of adjustments made pursuant to a capital asset inventory performed for the year ended June 30, 2017, Net Position at June 30, 2016 was restated in the amount of \$16,824.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.07%	0.02%	0.02%
School's Proportionate Share of Net Pension Liability (Asset)	\$	1,175	974	1,025
School's Covered-Employee Payroll	\$	446	410	495
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		263.45%	237.23%	207.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Southwest Primary Learning Center is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

**Last Ten Fiscal Years*
(Dollars in Thousands)**

	2015	2016	2017
Statutory required contributions	\$ 65	68	53
Contributions in Relation to the Contractually Required Contribution	65	59	53
Annual contribution deficiency (excess)	\$ -	9	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Southwest Primary Learning is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 830,175	797,841	797,842	1
Federal Grant	-	-	204	204
Charges for Services	2,700	2,700	1,713	(987)
Miscellaneous Income	3,000	3,000	3,366	366
Total Revenues	835,875	803,541	803,125	(416)
EXPENDITURES				
Current:				
Instruction	468,126	465,792	451,396	14,396
Support Services:				
Students	43,700	25,110	5,118	19,992
Instruction	30,900	53,768	31,555	22,213
General Administration	139,005	151,070	97,306	53,764
School Administration	56,394	46,708	43,067	3,641
Central Services	91,028	114,168	91,495	22,673
Operation & Maintenance of Plant	85,338	100,029	86,378	13,651
Other Support Services Operations	31,578	31,578	-	31,578
Community Services Operations	-	5,492	3,113	2,379
Total Expenditures	946,069	993,715	809,428	184,287
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(110,194)	(190,174)	(6,303)	183,871
Operating Transfers	-	-	(987)	(987)
Net Changes in Fund Balances	(110,194)	(190,174)	(7,290)	182,884
Cash or Fund Balances - Beginning of Year	-	-	190,174	190,174
Cash or Fund Balances - End of Year	\$ (110,194)	(190,174)	182,884	373,058
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (7,290)	
Adjustments to Revenues			-	
Adjustments to Expenditures			(18,010)	
NET CHANGE IN FUND BALANCE			\$ (25,300)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 5,625	4,757	7,190	2,433
Miscellaneous Income	-	-	-	-
Total Revenues	<u>5,625</u>	<u>4,757</u>	<u>7,190</u>	<u>2,433</u>
EXPENDITURES				
Current:				
Instruction	5,625	20,788	18,253	2,535
Total Expenditures	<u>5,625</u>	<u>20,788</u>	<u>18,253</u>	<u>2,535</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	(16,031)	(11,063)	4,968
Net Changes in Fund Balances	-	(16,031)	(11,063)	4,968
Cash or Fund Balances - Beginning of Year	-	-	16,031	16,031
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(16,031)</u>	<u>4,968</u>	<u>20,999</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (11,063)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (11,063)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Federal Grant	\$ 14,793	30,125	18,106	(12,019)
<i>Total Revenues</i>	<u>14,793</u>	<u>30,125</u>	<u>18,106</u>	<u>(12,019)</u>
EXPENDITURES				
Current:				
Instruction	14,793	30,125	14,793	15,332
<i>Total Expenditures</i>	<u>14,793</u>	<u>30,125</u>	<u>14,793</u>	<u>15,332</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	3,313	3,313
<i>Net Changes in Fund Balances</i>	-	-	3,313	3,313
<i>Cash or Fund Balances - Beginning of Year</i>	-	-	(7,349)	(7,349)
<i>Cash or Fund Balances - End of Year</i>	-	-	(4,036)	(4,036)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 3,313	
Adjustments to Revenues			(3,313)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 13,334	32,439	9,722	(22,717)
Total Revenues	<u>13,334</u>	<u>32,439</u>	<u>9,722</u>	<u>(22,717)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	13,334	32,439	8,265	24,174
Total Expenditures	<u>13,334</u>	<u>32,439</u>	<u>8,265</u>	<u>24,174</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	1,457	1,457
Net Changes in Fund Balances	-	-	1,457	1,457
Cash or Fund Balances - Beginning of Year	-	-	4,956	4,956
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>6,413</u>	<u>6,413</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 1,457	
Adjustments to Revenues			(1,457)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher / Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 2,789	6,511	249	(6,262)
Total Revenues	2,789	6,511	249	(6,262)
EXPENDITURES				
Current:				
Instruction	1,394	3,256	249	3,007
Support Services:				
School Administration	1,395	3,255	-	3,255
Total Expenditures	2,789	6,511	249	6,262
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Literacy for Children at Risk PED 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 3,283	3,283	-	(3,283)
Total Revenues	<u>3,283</u>	<u>3,283</u>	<u>-</u>	<u>(3,283)</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	3,283	3,283	-	3,283
Total Expenditures	<u>3,283</u>	<u>3,283</u>	<u>-</u>	<u>3,283</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Operating Transfers	-	-	987	987
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>987</u>	<u>987</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(987)</u>	<u>(987)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 987	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 987</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Miscellaneous Income	\$ -	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	(984)	(984)
Cash or Fund Balances - End of Year	\$ -	-	(984)	(984)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	75,466	94,591	19,125
Total Revenues	<u>-</u>	<u>75,466</u>	<u>94,591</u>	<u>19,125</u>
EXPENDITURES				
Current:				
Capital Outlay	-	75,466	75,466	-
Total Expenditures	<u>-</u>	<u>75,466</u>	<u>75,466</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	19,125	19,125
Net Changes in Fund Balances	-	-	19,125	19,125
Cash or Fund Balances - Beginning of Year	-	-	(38,548)	(38,548)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(19,423)</u>	<u>(19,423)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 19,125	
Adjustments to Revenues			(19,125)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Property Taxes	\$ 60,945	60,945	62,207	1,262
Total Revenues	<u>60,945</u>	<u>60,945</u>	<u>62,207</u>	<u>1,262</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	610	610	-	610
Capital Outlay	368,670	429,170	-	429,170
Total Expenditures	<u>369,280</u>	<u>429,780</u>	<u>-</u>	<u>429,780</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(308,335)</u>	<u>(368,835)</u>	<u>62,207</u>	<u>431,042</u>
Net Changes in Fund Balances	<u>(308,335)</u>	<u>(368,835)</u>	<u>62,207</u>	<u>431,042</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>368,835</u>	<u>368,835</u>
Cash or Fund Balances - End of Year	<u>\$ (308,335)</u>	<u>(368,835)</u>	<u>431,042</u>	<u>799,877</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 62,207	
Adjustments to Revenues			(15)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 62,192</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	7,295	9,746	-	(9,746)
Total Revenues	<u>7,295</u>	<u>9,746</u>	<u>-</u>	<u>(9,746)</u>
EXPENDITURES				
Current:				
Capital Outlay	7,295	9,746	-	9,746
Total Expenditures	<u>7,295</u>	<u>9,746</u>	<u>-</u>	<u>9,746</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Transfers	-	-	(36,421)	(36,421)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(36,421)</u>	<u>(36,421)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>36,421</u>	<u>36,421</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (36,421)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (36,421)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements - Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 30,541	30,541	30,642	101
State Grant	-	-	-	-
Total Revenues	<u>30,541</u>	<u>30,541</u>	<u>30,642</u>	<u>101</u>
EXPENDITURES				
Current:				
Capital Outlay	30,541	66,962	-	66,962
Total Expenditures	<u>30,541</u>	<u>66,962</u>	<u>-</u>	<u>66,962</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(36,421)</u>	<u>30,642</u>	<u>67,063</u>
Operating Transfers	-	-	36,421	36,421
Net Changes in Fund Balances	<u>-</u>	<u>(36,421)</u>	<u>67,063</u>	<u>103,484</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(36,421)</u>	<u>67,063</u>	<u>103,484</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 67,063	
Adjustments to Revenues			485	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 67,548</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Federal Home Loan Bank of Dallas	Freddie Mac	3137EACA5	3/27/2019	\$ 52,023
Federal Home Loan Bank of Dallas	Freddie Mac	3137EACA5	3/27/2019	208,094
				<u>\$ 260,117</u>
Total Cash per Schedule of Cash Accounts:				\$ 738,022
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				488,022
Collateral Requirement:				244,011
Pledged Collateral Held by Pledging Financial Institution:				260,117
Balance Over Collateralized:				<u>\$ 16,106</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 279,928</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Nusenda Credit Union</u>
Checking - Operational Account	\$ 734,975
Savings - Operational Account	<u>3,047</u>
<i>Total on Deposit</i>	738,022
Reconciling Items	<u>(943)</u>
Reconciled Balance June 30, 2017	<u>737,079</u>
Less Agency Funds	<u>(14,257)</u>
<i>Total Cash</i>	<u><u>\$ 722,822</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Cash Reconciliation
June 30, 2017

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>Student Activity Fund 23000</u>	<u>Federal Flowthrough 24000</u>	<u>State Flowthrough 27000</u>
Cash, June 30, 2016	\$ 258,558	16,031	9,377	(818)	(987)
Add:					
Cash Transfers	-	-	-	-	-
2016-17 revenues	<u>803,125</u>	<u>7,190</u>	<u>8,188</u>	<u>28,096</u>	<u>-</u>
Total cash available	1,061,683	23,221	17,565	27,278	(987)
Less:					
Cash Transfers	-	-	-	-	-
2016-17 expenditures	(809,428)	(18,253)	(3,308)	(23,307)	-
Receivables/Payables	53,035	-	-	1,860	-
Loans	<u>(22,583)</u>	<u>-</u>	<u>-</u>	<u>2,176</u>	<u>-</u>
Cash June 30, 2017	<u>282,707</u>	<u>4,968</u>	<u>14,257</u>	<u>8,007</u>	<u>(987)</u>
Fund Balance Reconciliations to GAAP Basis:					
Audit reclassifications to cash	<u>(69,371)</u>	<u>-</u>	<u>-</u>	<u>(1,594)</u>	<u>987</u>
Cash per Books	<u>213,336</u>	<u>4,968</u>	<u>14,257</u>	<u>6,413</u>	<u>-</u>
Fund Balance (Deficit) Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	<u>(123,847)</u>	<u>-</u>	<u>-</u>	<u>(1,276)</u>	<u>987</u>
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 158,860</u>	<u>4,968</u>	<u>14,257</u>	<u>6,731</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Combined State / Local 29000	Public School Capital Outlay 31200	Capital Improvements HB- 33 31600	Capital Improvements SB-9 31700	Capital Improvements SB-9 31701	Total
(984)	(38,548)	368,835	36,421	-	647,885
-	-	-	-	36,421	36,421
-	94,591	62,207	-	30,642	1,034,039
(984)	56,043	431,042	36,421	67,063	1,718,345
-	-	-	(36,421)	-	(36,421)
-	(75,466)	-	-	-	(929,762)
-	-	-	-	-	54,895
984	19,423	-	-	-	-
-	-	431,042	-	67,063	807,057
-	-	-	-	-	(69,978)
-	-	431,042	-	67,063	737,079
				Less Agency Fund	(14,257)
				Total Governmental Funds	722,822
(984)	(19,423)	992	-	485	(143,066)
(984)	(19,423)	432,034	-	67,548	663,991
				Less Agency Fund	(14,257)
				Total Governmental Funds	\$ 649,734

SOUTHWEST SECONDARY LEARNING CENTER

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 2,641,570
Receivables	
Taxes Receivable	3,953
Due from Other Governments	7,430
Total Current Assets	<u>2,652,953</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures and Equipment	469,157
Land Improvements	25,348
Buildings and Improvements	33,839
Less: Accumulated Depreciation	<u>(289,586)</u>
Total Noncurrent Assets	<u>238,758</u>
Total Assets	<u>2,891,711</u>

Deferred Outflows - Pension Related	<u>340,092</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	67,620
Accrued Liabilities	<u>122,538</u>
Total Current Liabilities	<u>190,158</u>

Noncurrent Liabilities:

Net Pension Liability	<u>2,105,676</u>
Total Noncurrent Liabilities	<u>2,105,676</u>
Total Liabilities	<u>2,295,834</u>

Deferred Inflows - Pension Related	<u>236,544</u>
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NET POSITION

Net Investment in Capital Assets	238,758
Restricted	1,160,319
Unrestricted (Deficit)	<u>(699,652)</u>
Total Net Position	<u>\$ 699,425</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 927,392	7,925	72,102	-	(847,365)
Support Services:					
Students	116,006	-	-	-	(116,006)
Instruction	384,590	-	-	-	(384,590)
General Administration	164,687	-	-	-	(164,687)
School Administration	184,042	-	-	-	(184,042)
Central Services	115,927	-	-	-	(115,927)
Operation & Maintenance of Plant	375,088	-	-	-	(375,088)
Student Transportation	39,000	-	(6,012)	-	(45,012)
Facilities Materials, Supplies & Other Services	257,832	-	-	199,156	(58,676)
Total Governmental Activities	\$ 2,564,564	7,925	66,090	199,156	(2,291,393)
General Revenues:					
Property Taxes					\$ 250,341
State Equalization Guarantee					2,275,818
Miscellaneous					40,652
Total General Revenues					<u>2,566,811</u>
Change in Net Position					275,418
Net Position, Beginning as Previously Reported					190,689
Restatement (Note 7)					233,318
Net Position, Beginning, as Restated					<u>424,007</u>
Net position, Ending					<u>\$ 699,425</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154
ASSETS						
Cash and Cash Equivalents	\$ 1,485,428	600	69,719	-	-	-
Accounts Receivable						
Taxes Receivable	-	-	-	-	-	-
Due from Other Governments	850	-	-	3,645	2,935	-
Due from Other Funds	43,415	-	-	-	-	-
Total Assets	\$ 1,529,693	600	69,719	3,645	2,935	-
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 67,620	-	-	-	-	-
Accrued Liabilities	120,462	-	-	2,076	-	-
Due to Other Funds	-	-	-	1,345	2,935	-
Total Liabilities	188,082	-	-	3,421	2,935	-
Fund Balances (Deficit)						
Fund Balance:						
Restricted for:						
Instruction	-	-	69,719	224	-	-
Student Transportation	-	600	-	-	-	-
Capital Improvements	-	-	-	-	-	-
Unassigned (Deficit)	1,341,611	-	-	-	-	-
Total Fund Balance (Deficit)	1,341,611	600	69,719	224	-	-
Total Liabilities and Fund Balances	\$ 1,529,693	600	69,719	3,645	2,935	-

The accompanying notes are an integral part of these financial statements

Dual Credits Instructional Materials 27103	Public School Capital Outlay 31200	Special Capital Outlay State 31400	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
-	-	-	826,087	-	259,736	2,641,570
-	-	-	2,655	-	1,298	3,953
-	-	-	-	-	-	7,430
-	-	-	-	-	-	43,415
-	-	-	828,742	-	261,034	2,696,368
-	-	-	-	-	-	67,620
-	-	-	-	-	-	122,538
-	39,135	-	-	-	-	43,415
-	39,135	-	-	-	-	233,573
-	-	-	-	-	-	69,943
-	-	-	-	-	-	600
-	-	-	828,742	-	261,034	1,089,776
-	(39,135)	-	-	-	-	1,302,476
-	(39,135)	-	828,742	-	261,034	2,462,795
-	-	-	828,742	-	261,034	2,696,368

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 2,462,795**

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

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

Capital Assets	528,344	
Accumulated Depreciation	(289,586)	
		238,758

Defined benefit pension plan deferred outflows are not financial resources and, therefore, and not reported in the funds		340,092
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Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		
Net Pension Liability		(2,105,676)

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		(236,544)

Net Position-Total Governmental Activities **\$ 699,425**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154
REVENUES						
Property Taxes	\$ -	-	-	-	-	-
State Grant	2,275,818	(6,012)	19,347	-	-	-
Federal Grant	1,382	-	-	12,535	30,281	520
Charges for Services	7,925	-	-	-	-	-
Miscellaneous Income	40,652	-	-	-	-	-
Total Revenues	<u>2,325,777</u>	<u>(6,012)</u>	<u>19,347</u>	<u>12,535</u>	<u>30,281</u>	<u>520</u>
EXPENDITURES						
Current:						
Instruction	910,781	-	7,208	10,609	-	225
Support Services:						
Students	87,777	-	-	-	28,229	-
Instruction	391,686	-	-	-	-	-
General Administration	164,687	-	-	-	-	-
School Administration	183,747	-	-	-	-	295
Central Services	115,927	-	-	-	-	-
Operation & Maintenance of Plant	375,088	-	-	-	-	-
Student Transportation	1,859	37,141	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>2,231,552</u>	<u>37,141</u>	<u>7,208</u>	<u>10,609</u>	<u>28,229</u>	<u>520</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>94,225</u>	<u>(43,153)</u>	<u>12,139</u>	<u>1,926</u>	<u>2,052</u>	<u>-</u>
Other financing sources (uses)						
Operating Transfers	(33,225)	-	-	-	-	-
Total Other financing sources (uses)	<u>(33,225)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>61,000</u>	<u>(43,153)</u>	<u>12,139</u>	<u>1,926</u>	<u>2,052</u>	<u>-</u>
Fund Balances(Deficit) - Beginning of Year	<u>1,280,611</u>	<u>43,753</u>	<u>57,580</u>	<u>(1,702)</u>	<u>(2,052)</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 1,341,611</u>	<u>600</u>	<u>69,719</u>	<u>224</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Dual Credits Instructional Materials 27103	Public School Capital Outlay 31200	Special Capital Outlay State 31400	Capital Improvements HB-33 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements Local 31701	Total
-	-	-	167,707	(1,272)	83,906	250,341
8,037	199,156	-	-	-	-	2,496,346
-	-	-	-	-	-	44,718
-	-	-	-	-	-	7,925
-	-	-	-	-	-	40,652
<u>8,037</u>	<u>199,156</u>	<u>-</u>	<u>167,707</u>	<u>(1,272)</u>	<u>83,906</u>	<u>2,839,982</u>
8,037	-	-	-	-	-	936,860
-	-	-	-	-	-	116,006
-	-	-	-	-	-	391,686
-	-	-	-	-	-	164,687
-	-	-	-	-	-	184,042
-	-	-	-	-	-	115,927
-	-	-	-	-	-	375,088
-	-	-	-	-	-	39,000
-	199,156	-	-	-	-	199,156
<u>8,037</u>	<u>199,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,522,452</u>
-	-	-	167,707	(1,272)	83,906	317,530
-	-	33,225	-	(177,128)	177,128	-
-	-	33,225	-	(177,128)	177,128	-
-	-	33,225	167,707	(178,400)	261,034	317,530
-	(39,135)	(33,225)	661,035	178,400	-	2,145,265
<u>-</u>	<u>(39,135)</u>	<u>-</u>	<u>828,742</u>	<u>-</u>	<u>261,034</u>	<u>2,462,795</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 317,530**

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

Change in net pension liability and related accounts 9,468

Expenditures to purchase or build capital assets, pay for interest on debt,
and amortization on long term 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 capital outlay exceeds
depreciation for the period

Capital Outlays	7,096	
Depreciation Expense	<u>(58,676)</u>	
		<u>(51,580)</u>

Change in Net Position-Total Governmental Activities **\$ 275,418**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2017

	<u>Funds</u>
ASSETS	
Cash in Bank	\$ 83,630
Total Assets	<u>\$ 83,630</u>
LIABILITIES	
Accrued Liabilities	\$ 3,370
Deposits Held for Others	80,260
Total Liabilities	<u>\$ 83,630</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 22,881	75,344	(14,595)	83,630
Total Assets	<u>\$ 22,881</u>	<u>75,344</u>	<u>(14,595)</u>	<u>83,630</u>
LIABILITIES				
Accrued Liabilities	\$ -	3,370	-	3,370
Deposits Held for Others	22,881	75,344	(17,965)	80,260
Total Liabilities	<u>\$ 22,881</u>	<u>78,714</u>	<u>(17,965)</u>	<u>83,630</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Southwest Secondary Learning Center’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Southwest Secondary Learning Center (SSLC) does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. SSLC utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years
Vehicles	10 years

Capital assets for SSLC are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Adjustments	June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 977,932	7,096	(515,871)	469,157
Land Improvements	-	-	25,348	25,348
Buildings and Improvements	42,662	-	(8,823)	33,839
Vehicles	46,356	-	(46,356)	-
<i>Total</i>	<u>1,066,950</u>	<u>7,096</u>	<u>(545,702)</u>	<u>528,344</u>
<i>Less: Accumulated Depreciation</i>	<u>(1,009,930)</u>	<u>(58,676)</u>	<u>779,020</u>	<u>(289,586)</u>
Capital Assets, Net	<u>\$ 57,020</u>	<u>(51,580)</u>	<u>233,318</u>	<u>238,758</u>

Depreciation expensed for the year ended June 30, 2017 was expensed to the following functions:

Facilities Materials, Supplies & Other	\$ 58,676
Total	<u>\$ 58,676</u>

NOTE 3. COMMITMENTS AND LIABILITIES

Southwest Secondary Learning Center leased various facilities and equipment under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$263,670. Southwest Secondary Learning Center's minimum future payments on these leases are as follows:

Year Ending June 30:	
2018	\$ 249,464
Total minimum lease payments	<u>\$ 249,464</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 4. DEFICIT FUND BALANCE

The following fund had a deficit fund balance at June 30, 2017:

31200 Public School Capital Outlay	\$ <u> 39,135</u>
	\$ <u> 39,135</u>

SSLC is addressing the negative fund balance and is planning on taking the appropriate actions to eliminate the negative balances.

NOTE 5. RELATED PARTY TRANSACTIONS

The same administration operates all four schools: Southwest Secondary, Intermediate and Primary Learning Centers and Southwest Aeronautics, Mathematics and Science Academy.

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Southwest Secondary Learning Center and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Southwest Secondary Learning Center paid employee and employer contributions of \$131,512 and \$116,145.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Southwest Secondary Learning Center reported a liability of \$2,105,676 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Southwest Secondary Learning Center's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, Southwest Secondary Learning Center's proportion was 0.02926%, which was a decrease of 0.00206% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Southwest Secondary Learning Center recognized pension expense of \$128,271. As of June 30, 2017, Southwest Secondary Learning Center reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,136	(20,027)
Changes in assumptions	42,863	-
Net difference between projected and actual earnings on pension plan investments	125,691	-
Changes in proportion and differences between Southwest Secondary Learning Center's contributions and proportionate share of contributions	30,890	(216,517)
Southwest Secondary Learning Center's contributions subsequent to the measurement date	131,512	-
Total	\$ 340,092	(236,544)

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 6. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

The amount of \$131,512 reported as deferred outflows of resources related to pensions resulting from Southwest Secondary Learning Center's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	(35,805)
2019		(55,381)
2020		32,571
2021		<u>30,651</u>
Total	\$	<u>(27,964)</u>

Sensitivity of Southwest Secondary Learning Center's proportionate share of the net pension liability to changes in the discount rate. The following presents Southwest Secondary Learning Center's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Southwest Secondary Learning Center'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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Southwest Secondary Learning Center's proportionate share of the net pension liability	<u>\$ 2,788,920</u>	<u>2,105,676</u>	<u>1,538,778</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. Southwest Secondary Learning Center accrued \$32,607 in ERB benefits at June 30, 2017 for teachers with ten month contracts.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Notes to the Financial Statements
June 30, 2017**

NOTE 7. RESTATEMENT

As a result of adjustments made pursuant to a capital asset inventory performed for the year ended June 30, 2017, Net Position at June 30, 2016 was restated in the amount of \$233,318.

NOTE 8. SUBSEQUENT EVENTS

The Southwest Intermediate Learning Center (SILC) charter expired on June 30, 2017. Beginning July 1, 2017, Southwest Secondary Learning Center (SSLC) assumed and accepted all assets and liabilities of Southwest Intermediate Learning Center (SILC). SSLC also agreed to serve as the official registrar and custodian of all student records and personnel files of SILC.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.07%	0.02%	0.02%
School's Proportionate Share of Net Pension Liability (Asset)	\$	2,007	2,029	2,007
School's Covered-Employee Payroll	\$	970	885	1,163
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered- Employee Payroll		206.91%	237.23%	207.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Southwest Secondary Learning Center is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

**Last Ten Fiscal Years*
(Dollars in Thousands)**

	2015	2016	2017
Statutory required contributions	\$ 128	141	116
Contributions in Relation to the Contractually Required Contribution	128	141	116
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Southwest Secondary Learning is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 2,406,323	2,366,771	2,275,818	(90,953)
Federal Grant	-	-	532	532
Charges for Services	15,000	15,000	7,925	(7,075)
Miscellaneous Income	5,000	5,000	40,652	35,652
Total Revenues	2,426,323	2,386,771	2,324,927	(61,844)
EXPENDITURES				
Current:				
Instruction	1,028,700	1,038,773	910,781	127,992
Support Services:				
Students	38,500	144,363	87,777	56,586
Instruction	301,271	394,346	371,793	22,553
General Administration	214,587	271,064	140,708	130,356
School Administration	235,634	215,177	183,747	31,430
Central Services	143,009	143,585	105,202	38,383
Operation & Maintenance of Plant	481,262	469,400	368,279	101,121
Student Transportation	-	2,000	1,859	141
Other Support Services Operations	736,155	961,663	-	961,663
Total Expenditures	3,179,118	3,640,371	2,170,146	1,470,225
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(752,795)	(1,253,600)	154,781	1,408,381
Operating Transfers	-	-	(33,225)	(33,225)
Net Changes in Fund Balances	(752,795)	(1,253,600)	121,556	1,375,156
Cash or Fund Balances - Beginning of Year	-	-	1,286,825	1,286,825
Cash or Fund Balances - End of Year	\$ (752,795)	(1,253,600)	1,408,381	2,661,981
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
			\$ 121,556	
Adjustments to Revenues			850	
Adjustments to Expenditures			(61,406)	
NET CHANGE IN FUND BALANCE			\$ 61,000	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Student Transportation 13000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 43,577	37,741	(6,012)	(43,753)
Total Revenues	<u>43,577</u>	<u>37,741</u>	<u>(6,012)</u>	<u>(43,753)</u>
EXPENDITURES				
Current:				
Student Transportation	43,577	37,741	37,141	600
Total Expenditures	<u>43,577</u>	<u>37,741</u>	<u>37,141</u>	<u>600</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(43,153)	(43,153)
Net Changes in Fund Balances	-	-	(43,153)	(43,153)
Cash or Fund Balances - Beginning of Year	-	-	43,753	43,753
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>600</u>	<u>600</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (43,153)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (43,153)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 15,036	13,105	19,347	6,242
Total Revenues	<u>15,036</u>	<u>13,105</u>	<u>19,347</u>	<u>6,242</u>
EXPENDITURES				
Current:				
Instruction	72,616	70,685	7,208	63,477
Total Expenditures	<u>72,616</u>	<u>70,685</u>	<u>7,208</u>	<u>63,477</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(57,580)</u>	<u>(57,580)</u>	<u>12,139</u>	<u>69,719</u>
Net Changes in Fund Balances	<u>(57,580)</u>	<u>(57,580)</u>	<u>12,139</u>	<u>69,719</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>57,580</u>	<u>57,580</u>
Cash or Fund Balances - End of Year	<u>\$ (57,580)</u>	<u>(57,580)</u>	<u>69,719</u>	<u>127,299</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 12,139	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 12,139</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 27,545	37,012	20,686	(16,326)
Total Revenues	<u>27,545</u>	<u>37,012</u>	<u>20,686</u>	<u>(16,326)</u>
EXPENDITURES				
Current:				
Instruction	27,545	37,012	10,609	26,403
Total Expenditures	<u>27,545</u>	<u>37,012</u>	<u>10,609</u>	<u>26,403</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	10,077	10,077
Net Changes in Fund Balances	-	-	10,077	10,077
Cash or Fund Balances - Beginning of Year	-	-	(13,498)	(13,498)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,421)</u>	<u>(3,421)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 10,077	
Adjustments to Revenues			(8,151)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,926</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 31,258	72,541	58,126	(14,415)
Total Revenues	<u>31,258</u>	<u>72,541</u>	<u>58,126</u>	<u>(14,415)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	31,258	72,541	28,229	44,312
Total Expenditures	<u>31,258</u>	<u>72,541</u>	<u>28,229</u>	<u>44,312</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	29,897	29,897
Net Changes in Fund Balances	-	-	29,897	29,897
Cash or Fund Balances - Beginning of Year	-	-	(32,832)	(32,832)
Cash or Fund Balances - End of Year	\$ -	-	<u>(2,935)</u>	<u>(2,935)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 29,897	
Adjustments to Revenues			(27,845)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 2,052</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher / Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 5,851	14,676	1,170	(13,506)
Total Revenues	5,851	14,676	1,170	(13,506)
EXPENDITURES				
Current:				
Instruction	1,950	6,362	225	6,137
Support Services:				
School Administration	3,901	8,314	295	8,019
Total Expenditures	5,851	14,676	520	14,156
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	650	650
Net Changes in Fund Balances	-	-	650	650
Cash or Fund Balances - Beginning of Year	-	-	(650)	(650)
Cash or Fund Balances - End of Year	\$ -	\$ -	\$ -	\$ -
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 650	
Adjustments to Revenues			(650)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credits Instructional Materials 27103
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	8,037	8,037	-
Total Revenues	<u>-</u>	<u>8,037</u>	<u>8,037</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	8,037	8,037	-
Total Expenditures	<u>-</u>	<u>8,037</u>	<u>8,037</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	199,156	247,135	47,979
Total Revenues	-	199,156	247,135	47,979
EXPENDITURES				
Capital Outlay	-	199,156	199,156	-
Total Expenditures	-	199,156	199,156	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	47,979	47,979
Net Changes in Fund Balances	-	-	47,979	47,979
Cash or Fund Balances - Beginning of Year	-	-	(87,114)	(87,114)
Cash or Fund Balances - End of Year	\$ -	-	(39,135)	(39,135)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 47,979	
Adjustments to Revenues			(47,979)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay State 31400
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Operating Transfers	-	-	33,225	33,225
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>33,225</u>	<u>33,225</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(33,225)</u>	<u>(33,225)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 33,225	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 33,225</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 164,553	164,553	167,684	3,131
Total Revenues	<u>164,553</u>	<u>164,553</u>	<u>167,684</u>	<u>3,131</u>
EXPENDITURES				
Current:				
Capital Outlay	820,567	822,956	-	822,956
Total Expenditures	<u>820,567</u>	<u>822,956</u>	<u>-</u>	<u>822,956</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(656,014)</u>	<u>(658,403)</u>	<u>167,684</u>	<u>826,087</u>
Net Changes in Fund Balances	<u>(656,014)</u>	<u>(658,403)</u>	<u>167,684</u>	<u>826,087</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>658,403</u>	<u>658,403</u>
Cash or Fund Balances - End of Year	<u>\$ (656,014)</u>	<u>(658,403)</u>	<u>826,087</u>	<u>1,484,490</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 167,684	
Adjustments to Revenues			23	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 167,707</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 19,058	25,811	-	(25,811)
Total Revenues	<u>19,058</u>	<u>25,811</u>	<u>-</u>	<u>(25,811)</u>
EXPENDITURES				
Current:				
Capital Outlay	19,058	25,811	-	25,811
Total Expenditures	<u>19,058</u>	<u>25,811</u>	<u>-</u>	<u>25,811</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Transfers	-	-	(177,128)	(177,128)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(177,128)</u>	<u>(177,128)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>177,128</u>	<u>177,128</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (177,128)	
Adjustments to Revenues			(1,272)	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (178,400)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements - Local 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 82,462	82,462	82,608	146
Total Revenues	<u>82,462</u>	<u>82,462</u>	<u>82,608</u>	<u>146</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	8,000	8,000	-	8,000
Capital Outlay	307,717	251,590	-	251,590
Total Expenditures	<u>315,717</u>	<u>259,590</u>	<u>-</u>	<u>259,590</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(233,255)</u>	<u>(177,128)</u>	<u>82,608</u>	<u>259,736</u>
Operating Transfers	-	-	177,128	177,128
Net Changes in Fund Balances	<u>(233,255)</u>	<u>(177,128)</u>	<u>259,736</u>	<u>436,864</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (233,255)</u>	<u>(177,128)</u>	<u>259,736</u>	<u>436,864</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 259,736	
Adjustments to Revenues			1,298	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 261,034</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Federal Home Loan Bank of Dallas	Freddie Mac	3137EACA5	3/27/2019	\$ 208,094
Federal Home Loan Bank of Dallas	Freddie Mac	3137EACA5	3/27/2019	676,304
Federal Home Loan Bank of Dallas	Freddie Mac	3137EACA5	3/27/2019	494,222
				<u>\$ 1,378,620</u>
Total Cash per Schedule of Cash Accounts:				\$ 2,730,758
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				2,480,758
Collateral Requirement:				1,240,379
Pledged Collateral Held by Pledging Financial Institution:				<u>1,378,620</u>
Balance Over Collateralized:				<u>\$ 138,241</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 1,102,138</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Nusenda Credit Union</u>
Checking - Operational Account	\$ 2,724,744
Savings - Operational Account	<u>6,014</u>
<i>Total on Deposit</i>	2,730,758
Reconciling Items	<u>(5,558)</u>
Reconciled Balance June 30, 2017	<u>2,725,200</u>
Less Agency Funds	<u>(83,630)</u>
<i>Total Cash</i>	<u><u>\$ 2,641,570</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Cash Reconciliation
June 30, 2017

	Operational 11000	Student Transportation 13000	Instructional Materials 14000	Student Activity Funds 23000	Federal Flowthrough 24000
Cash, June 30, 2016	\$ 1,394,162	43,753	57,580	22,881	(41,278)
Add:					
Cash Transfers	-	-	-	-	-
2016-17 revenues	2,324,927	(6,012)	19,347	75,344	78,342
Total cash available	3,719,089	37,741	76,927	98,225	37,064
Less:					
Cash Transfers	(33,225)	-	-	-	-
2016-17 expenditures	(2,170,146)	(37,141)	(7,208)	(17,965)	(39,358)
Receivables/Payables	120,462	-	-	(1,569)	2,076
Loans	(43,415)	-	-	-	4,280
Cash June 30, 2017	1,592,765	600	69,719	78,691	4,062
Fund Balance Reconciliations to GAAP Basis:					
Audit reclassifications to cash	(107,337)	-	-	4,939	(4,062)
Cash per Books	1,485,428	600	69,719	83,630	-
Fund Balance (Deficit) Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	(251,154)	-	-	1,569	(3,838)
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 1,341,611</u>	<u>600</u>	<u>69,719</u>	<u>80,260</u>	<u>224</u>

The accompanying notes are an integral part of these financial statements

State Flowthrough 27000	Public School Capital Outlay 31200	Special Capital Outlay State 31400	Capital Improvements HB- 33 31600	Capital Improvements SB-9 31700	Capital Improvements SB-9 31701	Total
-	(87,114)	(33,225)	658,403	177,128	-	2,192,290
-	-	33,225	-	-	177,128	210,353
8,037	247,135	-	167,684	-	82,608	2,997,412
8,037	160,021	-	826,087	177,128	259,736	5,400,055
-	-	-	-	(177,128)	-	(210,353)
(8,037)	(199,156)	-	-	-	-	(2,479,011)
-	-	-	-	-	-	120,969
-	39,135	-	-	-	-	-
-	-	-	826,087	-	259,736	2,831,660
-	-	-	-	-	-	(106,460)
-	-	-	826,087	-	259,736	2,725,200
					Less Agency Fund	(83,630)
					Total Governmental Funds	\$ 2,641,570
-	(39,135)	-	2,655	-	1,298	(288,605)
-	(39,135)	-	828,742	-	261,034	2,543,055
					Less Agency Fund	(80,260)
					Total Governmental Funds	\$ 2,462,795

TAOS ACADEMY

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 750,283
Receivables	
Due from Other Governments	249,659
Prepaid Expenses	12,900
Total Current Assets	<u>1,012,842</u>

Noncurrent Assets:

Capital Assets	
Land	450,000
Building and Improvements	3,101,840
Furniture, Fixtures, and Equipment	226,686
Less: Accumulated Depreciation	(245,994)
Total Noncurrent Assets	<u>3,532,532</u>

Total Assets	<u>4,545,374</u>
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Deferred Outflows - Pension Related	<u>813,644</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accrued Liabilities	191,260
Current Portion of Note Payable	19,657
Total Current Liabilities	<u>210,917</u>

Noncurrent Liabilities:

Note Payable, Net of Current Portion	2,065,083
Net Pension Liability	2,887,929
Total Noncurrent Liabilities	<u>4,953,012</u>

Total Liabilities	<u>5,163,929</u>
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Deferred Inflows - Pension Related	<u>27,468</u>
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NET POSITION

Net Investment in Capital Assets	1,447,792
Restricted	256,302
Unrestricted (Deficit)	(1,536,473)
Total Net Position	<u>\$ 167,621</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,597,851	-	189,558	-	(1,408,293)
Support Services:					
Students	187,056	-	-	-	(187,056)
Instruction	2,542	-	-	-	(2,542)
General Administration	17,462	-	-	-	(17,462)
School Administration	311,414	-	-	-	(311,414)
Central Services	172,192	-	-	-	(172,192)
Operation & Maintenance of Plant	220,967	-	-	-	(220,967)
Interest on Long-term Debt	135,187	-	-	-	(135,187)
Facilities Materials, Supplies & Other Services	200,312	-	-	480,871	280,559
Total Governmental Activities	<u>\$ 2,844,983</u>	<u>-</u>	<u>189,558</u>	<u>480,871</u>	<u>(2,174,554)</u>
			General Revenues:		
			Property Taxes	\$ 246,424	
			State Equalization Guarantee	2,111,647	
			Miscellaneous	67,749	
			Total General Revenues	<u>2,425,820</u>	
			Change in Net Position		251,266
			Net Position (Deficit), Beginning, as Previously Reported		(110,581)
			Restatement (Note 6)		26,936
			Net Position (Deficit), Beginning, as Restated		<u>(83,645)</u>
			Net Position (Deficit), Ending		<u>\$ 167,621</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 529,216	403	191	8,963
Accounts Receivable				
Due from Government	-	-	-	51,142
Due from Other Funds	151,061	-	-	-
Prepaid Expenditures	12,900	-	-	-
Total Assets	\$ 693,177	403	191	60,105
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Expenditures	\$ 179,931	-	-	8,963
Due to Other Funds	-	-	-	51,142
Total Liabilities	179,931	-	-	60,105
Fund Balances				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	12,900	-	-	-
Restricted for:				
Instruction	-	403	-	-
Support Services	-	-	-	-
Food Services	-	-	191	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	500,346	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	513,246	403	191	-
Total Liabilities and Fund Balances	\$ 693,177	403	191	60,105

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title XIX Medicaid 25153	Intel Foundation 26116	Dual Credit Instructional Materials 27103	Teacher and School Leader Incentive Pay 27188
-	2,158	2,063	418	-	-
40,760	11,984	-	-	609	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>40,760</u>	<u>14,142</u>	<u>2,063</u>	<u>418</u>	<u>609</u>	<u>-</u>
-	2,158	38	-	-	-
40,760	11,984	-	-	609	-
<u>40,760</u>	<u>14,142</u>	<u>38</u>	<u>-</u>	<u>609</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	418	-	-
-	-	2,025	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,025	418	-	-
<u>40,760</u>	<u>14,142</u>	<u>2,063</u>	<u>418</u>	<u>609</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Teachers Hard to Staff Stipend 27195	Private Direct Grants 29102	Bond Building 31100	Public Schools Capital Outlay 31200
ASSETS				
Cash and Cash Equivalents	\$ 170	833	-	-
Accounts Receivable				
Due from Government	6,348	-	-	40,218
Due from Other Funds	-	-	-	-
Prepaid Expenditures	-	-	-	-
Total Assets	\$ 6,518	833	-	40,218
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Expenditures	\$ 170	-	-	-
Due to Other Funds	6,348	-	-	40,218
Total Liabilities	6,518	-	-	40,218
Fund Balances				
Fund Balance:				
Nonspendable:				
Deposits	-	-	-	-
Restricted for:				
Instruction	-	833	-	-
Support Services	-	-	-	-
Food Services	-	-	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	-	833	-	-
Total Liabilities and Fund Balances	\$ 6,518	833	-	40,218

The accompanying notes are an integral part of these financial statements

SB-9 Capital Improvements 31700	Capital Improvements SB-9 Local 31701	Technology Equipment Act 31900	Taos Academy Foundation	Total
-	83,133	70,701	52,034	750,283
-	98,598	-	-	249,659
-	-	-	-	151,061
-	-	-	-	12,900
-	181,731	70,701	52,034	1,163,903
-	-	-	-	191,260
-	-	-	-	151,061
-	-	-	-	342,321
-	-	-	-	12,900
-	-	-	-	1,654
-	-	-	-	2,025
-	-	-	-	191
-	181,731	70,701	-	252,432
-	-	-	-	500,346
-	-	-	52,034	52,034
-	181,731	70,701	52,034	821,582
-	181,731	70,701	52,034	1,163,903

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 821,582**

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

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

Capital Assets	3,778,526	
Accumulated Depreciation	<u>(245,994)</u>	
		3,532,532

The note payable is not due in the current period and, therefore, is not reported in the funds.		(2,084,740)
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Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		813,644
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(27,468)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(2,887,929)</u>
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Net Position-Total Governmental Activities		<u><u>\$ 167,621</u></u>
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The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	2,111,647	12,892	-	-
Federal Grant	-	-	-	51,142
Charges for Services	-	-	-	-
Miscellaneous Income	19,606	-	-	-
Total Revenues	2,131,253	12,892	-	51,142
EXPENDITURES				
Current:				
Instruction	1,242,679	17,139	-	51,142
Support Services:				
Students	126,032	-	-	-
Instruction	2,542	-	-	-
General Administration	17,462	-	-	-
School Administration	253,101	-	-	-
Central Services	157,454	-	-	-
Operation & Maintenance of Plant	193,030	-	-	-
Capital Outlay	337,144	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	2,329,444	17,139	-	51,142
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(198,191)	(4,247)	-	-
Other financing sources (uses):				
Proceeds from Issuance of long-term debt	-	-	-	-
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Changes in Fund Balances	(198,191)	(4,247)	-	-
Fund Balances - Beginning of Year	711,437	4,650	191	-
Restatement (Note 6)	-	-	-	-
Fund Balances - Restated	711,437	4,650	191	-
Fund Balances - End of Year	\$ 513,246	403	191	-

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title XIX Medicaid 25153	Intel Foundation 26116	Dual Credit Instructional Materials 27103	Teacher and School Leader Incentive Pay 27188
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	4,058	29,066
40,760	13,526	2,025	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>40,760</u>	<u>13,526</u>	<u>2,025</u>	<u>-</u>	<u>4,058</u>	<u>29,066</u>
-	13,526	-	-	4,058	29,066
40,760	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>40,760</u>	<u>13,526</u>	<u>-</u>	<u>-</u>	<u>4,058</u>	<u>29,066</u>
-	-	2,025	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,025	-	-	-
-	-	-	418	-	-
-	-	-	-	-	-
-	-	-	418	-	-
-	-	2,025	418	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Teachers Hard to Staff Stipend 27195	Private Direct Grants 29102	Bond Building 31100	Public Schools Capital Outlay 31200
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	2,500	320,000	-
State Grant	12,525	-	-	160,871
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>12,525</u>	<u>2,500</u>	<u>320,000</u>	<u>160,871</u>
EXPENDITURES				
Current:				
Instruction	12,525	1,741	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Capital Outlay	-	-	320,000	160,871
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>12,525</u>	<u>1,741</u>	<u>320,000</u>	<u>160,871</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>759</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Proceeds from issuance of long-term debt	-	-	-	-
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>759</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	-	74	-	-
Restatement (Note 6)	-	-	-	-
Fund Balances - Restated	<u>-</u>	<u>74</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>833</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

SB-9 Capital Improvements 31700	Capital Improvements SB-9 Local 31701	Technology Equipment Act 31900	Taos Academy Foundation	Total
-	246,424	-	-	246,424
-	-	-	21,064	343,564
-	-	-	-	2,331,059
-	-	-	-	107,453
-	-	-	185,435	185,435
-	-	-	48,143	67,749
<u>-</u>	<u>246,424</u>	<u>-</u>	<u>254,642</u>	<u>3,281,684</u>
-	-	-	-	1,371,876
-	-	-	-	166,792
-	-	-	-	2,542
-	-	-	-	17,462
-	-	-	-	253,101
-	-	-	-	157,454
-	-	-	-	193,030
-	262,532	46,395	2,179,097	3,306,039
-	-	-	15,260	15,260
-	-	-	135,187	135,187
<u>-</u>	<u>262,532</u>	<u>46,395</u>	<u>2,329,544</u>	<u>5,618,743</u>
<u>-</u>	<u>(16,108)</u>	<u>(46,395)</u>	<u>(2,074,902)</u>	<u>(2,337,059)</u>
-	-	-	2,100,000	2,100,000
(179,108)	197,839	(18,731)	-	-
<u>(179,108)</u>	<u>197,839</u>	<u>(18,731)</u>	<u>2,100,000</u>	<u>2,100,000</u>
<u>(179,108)</u>	<u>181,731</u>	<u>(65,126)</u>	<u>25,098</u>	<u>(237,059)</u>
179,108	-	135,827	-	1,031,705
-	-	-	26,936	26,936
<u>179,108</u>	<u>-</u>	<u>135,827</u>	<u>26,936</u>	<u>1,058,641</u>
<u>-</u>	<u>181,731</u>	<u>70,701</u>	<u>52,034</u>	<u>821,582</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (237,059)**

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

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 capital outlay exceeds depreciation for the period.

Capital Outlays	3,000,000	
Depreciation Expense	<u>(119,900)</u>	
		2,880,100

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.

Proceeds from Issuance of Long-term Debt	(2,100,000)	
Principal Payments on Long-term Debt	<u>15,260</u>	
		(2,084,740)

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability

	<u>(307,035)</u>	
Change in Net Position-Total Governmental Activities		<u><u>\$ 251,266</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 12,323
Total Assets	<u>\$ 12,323</u>
LIABILITIES	
Deposits Held for Others	\$ 12,323
Total Liabilities	<u>\$ 12,323</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 10,040	9,133	(6,850)	12,323
Total Assets	<u>\$ 10,040</u>	<u>9,133</u>	<u>(6,850)</u>	<u>12,323</u>
LIABILITIES				
Deposits Held for Others	\$ 10,040	9,133	(6,850)	12,323
Total Liabilities	<u>\$ 10,040</u>	<u>9,133</u>	<u>(6,850)</u>	<u>12,323</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Taos Academy's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Taos Academy does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Taos Academy utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5-15 years
Buildings and Improvements	15-30 years

Capital assets for Taos Academy are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
<i>Capital Assets not being Depreciated:</i>				
Land	\$ -	450,000	-	450,000
<i>Total</i>	-	450,000	-	450,000
<i>Capital Assets being Depreciated:</i>				
Building and improvements	551,840	2,550,000	-	3,101,840
Furniture, Fixtures and Equipment	226,686	-	-	226,686
<i>Total</i>	778,526	2,550,000	-	3,328,526
<i>Less: Accumulated Depreciation</i>				
Building and improvements	(69,431)	(103,115)	-	(172,546)
Furniture, Fixtures and Equipment	(56,663)	(16,785)	-	(73,448)
<i>Total</i>	(126,094)	(119,900)	-	(245,994)
Capital Assets, Net	\$ 652,432	2,880,100	-	3,532,532

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$	4,603
School Administration		12,872
Operation & Maintenance of Plant		22,717
Facilities Materials, Supplies & Other Services		79,708
Total	\$	<u>119,900</u>

NOTE 3. COMMITMENTS AND LIABILITIES

Effective July 20, 2016, the School entered into a lease purchase arrangement with the Taos Academy Foundation. The agreement is for 30 years. Payments began on September 1, 2016 and continue through August 1, 2046. Rental expense paid from the School to the Foundation for the year ended June 30, 2017 was \$161,063. Taos Academy's minimum future payments on this lease are as follows:

Year Ending June 30:		
2018	\$	180,536
2019		180,536
2020		180,536
2021		180,536
2022		180,536
2023- 2027		902,680
2028- 2032		902,680
2033- 2037		902,680
2038- 2042		902,680
2043- 2047		752,232
Total	\$	<u>5,265,632</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES (CONTINUED)

On July 20, 2016, the Taos Academy Foundation entered into a promissory note to purchase the land and building where the School is located. The total purchase price was \$3 million of which \$900,000 was paid with School funds and \$2.1 million was financed by the Foundation. The note is for 30 years with monthly payments totaling \$15,045 and an interest rate of 7.75%. The note is secured by the mortgaged property. During fiscal year 2017, interest expense totaled \$135,187 and principal payments totaled \$15,260. The aggregate amounts of principal maturities and interest on the note payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 19,657	160,879	180,536
2019	21,236	159,300	180,536
2020	22,941	157,595	180,536
2021	24,784	155,752	180,536
2022	26,774	153,762	180,536
2023-2027	169,795	732,885	902,680
2028-2032	249,846	652,834	902,680
2033-2037	367,638	535,042	902,680
2038-2042	540,964	361,716	902,680
2043-2047	641,105	111,127	752,232
Total	<u>\$ 2,084,740</u>	<u>3,180,892</u>	<u>5,265,632</u>

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Taos Academy and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Taos Academy paid employee and employer contributions of \$169,279 and \$157,470.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Taos Academy reported a liability of \$2,887,929 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Taos Academy’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Taos Academy’s proportion was 0.04013%, which was an increase of 0.00393% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Taos Academy recognized pension expense of \$478,965. At June 30, 2017, Taos Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,528	(27,468)
Changes in assumptions	58,787	-
Net difference between projected and actual earnings on pension plan investments	172,385	-
Changes in proportion and differences between Taos Academy’s contributions and proportionate share of contributions	400,665	-
Taos Academy’s contributions subsequent to the measurement date	<u>169,279</u>	<u>-</u>
Total	<u>\$ 813,644</u>	<u>(27,468)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$169,279 reported as deferred outflows of resources related to pensions resulting from Taos Academy contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	251,153
2019		190,683
2020		133,024
2021		<u>42,037</u>
Total	\$	<u>616,897</u>

Sensitivity of Taos Academy’s proportionate share of the net pension liability to changes in the discount rate.

The following presents the Taos Academy proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Taos Academy’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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
The School’s proportionate share of the net pension liability	<u>\$ 3,824,995</u>	<u>2,887,929</u>	<u>2,110,429</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Taos Academy owed \$55,179 to ERB for fiscal year 2017 contributions.

NOTE 5. BLENDED COMPONENT UNIT

The School has a Foundation which leases property to the School. The Foundation is considered a component unit of the School and is presented as a blended component unit. In prior years, the Foundation had minimal activity and did not meet the requirements to be presented as a blended component unit of the School. In fiscal year 2017, the Foundation purchased the land and buildings where the School is located and the School started paying monthly rent to the Foundation.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Notes to the Financial Statements
June 30, 2017**

NOTE 6. RESTATEMENT OF PREVIOUSLY REPORTED AMOUNTS

The Foundation existed prior to July 1, 2016; however, it did not meet the requirements to be presented with the School until fiscal year 2017. Therefore, the Foundation's beginning net position of \$26,936 increased the beginning net position in the statement of revenues, expenditures and changes of fund balance and the statement of activities.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	Fiscal Year	30-Jun		
		2017	2016	2015
	Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)		0.04013%	0.03620%	0.03125%
School's Proportionate Share of Net Pension Liability (Asset)	\$	2,888	2,345	1,783
School's Covered-Employee Payroll	\$	1,100	988	861
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	237.32%	207.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Taos Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 138	157	169
Contributions in Relation to the Contractually Required Contribution	138	157	169
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Taos Academy is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 2,189,203	2,110,779	2,111,647	868
Miscellaneous	-	-	19,606	19,606
Total Revenues	<u>2,189,203</u>	<u>2,110,779</u>	<u>2,131,253</u>	<u>20,474</u>
EXPENDITURES				
Current:				
Instruction	1,414,722	1,465,073	1,230,558	234,515
Support Services:				
Students	171,647	176,072	126,032	50,040
Instruction	11,870	11,870	2,543	9,327
General Administration	22,000	25,900	17,462	8,438
School Administration	237,400	272,320	253,101	19,219
Central Services	211,072	186,292	157,454	28,838
Operation & Maintenance of Plant	214,377	246,369	193,030	53,339
Capital outlay	4,579	416,434	337,144	79,290
Total Expenditures	<u>2,287,667</u>	<u>2,800,330</u>	<u>2,317,324</u>	<u>483,006</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(98,464)</u>	<u>(689,551)</u>	<u>(186,071)</u>	<u>503,480</u>
Other Financing Sources (Uses):				
Designated Cash	98,464	689,551	-	(689,551)
Total Other Financing Sources (Uses):	<u>98,464</u>	<u>689,551</u>	<u>-</u>	<u>(689,551)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(186,071)</u>	<u>(186,071)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>711,437</u>	<u>711,437</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>525,366</u>	<u>525,366</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (186,071)	
Adjustments to Revenues			-	
Adjustments to Expenditures			(12,120)	
NET CHANGE IN FUND BALANCE			<u>\$ (198,191)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 12,489	12,892	12,892	-
Total Revenues	<u>12,489</u>	<u>12,892</u>	<u>12,892</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	12,489	17,542	17,139	403
Total Expenditures	<u>12,489</u>	<u>17,542</u>	<u>17,139</u>	<u>403</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(4,650)</u>	<u>(4,247)</u>	<u>403</u>
Other Financing Sources (Uses):				
Designated Cash	-	4,650	-	(4,650)
Total Other Financing Sources (Uses):	<u>-</u>	<u>4,650</u>	<u>-</u>	<u>(4,650)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,247)</u>	<u>(4,247)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,650</u>	<u>4,650</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>403</u>	<u>403</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (4,247)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (4,247)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Food Services Operations	191	191	-	191
Total Expenditures	<u>191</u>	<u>191</u>	<u>-</u>	<u>191</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(191)</u>	<u>(191)</u>	<u>-</u>	<u>191</u>
Other Financing Sources (Uses):				
Designated Cash	191	191	-	(191)
Total Other Financing Sources (Uses):	<u>191</u>	<u>191</u>	<u>-</u>	<u>(191)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>191</u>	<u>191</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>191</u>	<u>191</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 64,578	80,119	-	(80,119)
Total Revenues	<u>64,578</u>	<u>80,119</u>	<u>-</u>	<u>(80,119)</u>
EXPENDITURES				
Current:				
Instruction	64,578	80,119	51,142	28,977
Total Expenditures	<u>64,578</u>	<u>80,119</u>	<u>51,142</u>	<u>28,977</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(51,142)</u>	<u>(51,142)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(51,142)</u>	<u>(51,142)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(51,142)</u>	<u>(51,142)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (51,142)	
Adjustments to Revenues			51,142	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 32,912	40,766	-	(40,766)
Total Revenues	<u>32,912</u>	<u>40,766</u>	<u>-</u>	<u>(40,766)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	32,912	40,766	40,760	6
Total Expenditures	<u>32,912</u>	<u>40,766</u>	<u>40,760</u>	<u>6</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(40,760)</u>	<u>(40,760)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(40,760)</u>	<u>(40,760)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(40,760)</u>	<u>(40,760)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (40,760)	
Adjustments to Revenues			40,760	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 11,363	22,957	1,542	(21,415)
Total Revenues	<u>11,363</u>	<u>22,957</u>	<u>1,542</u>	<u>(21,415)</u>
EXPENDITURES				
Current:				
Instruction	11,363	22,957	13,526	9,431
Total expenditures	<u>11,363</u>	<u>22,957</u>	<u>13,526</u>	<u>9,431</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(11,984)	(11,984)
Net changes in Fund Balances	-	-	(11,984)	(11,984)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,984)</u>	<u>(11,984)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (11,984)	
Adjustments to Revenues			11,984	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 25153
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	166	2,025	1,859
Total Revenues	<u>-</u>	<u>166</u>	<u>2,025</u>	<u>1,859</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	166	-	166
Total expenditures	<u>-</u>	<u>166</u>	<u>-</u>	<u>166</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>2,025</u>	<u>2,025</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,025</u>	<u>2,025</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,025</u>	<u>2,025</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,025	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 2,025</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Intel Foundation 26116
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>418</u>	<u>418</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>418</u>	<u>418</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	4,059	3,450	(609)
Total Revenues	<u>-</u>	<u>4,059</u>	<u>3,450</u>	<u>(609)</u>
EXPENDITURES				
Current:				
Instruction	-	4,059	4,058	1
Total Expenditures	<u>-</u>	<u>4,059</u>	<u>4,058</u>	<u>1</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(608)</u>	<u>(608)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(608)</u>	<u>(608)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(608)</u>	<u>(608)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (608)	
Adjustments to Revenues			608	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher and School Leader Incentive Pay 27188
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	29,066	29,066	-
Total Revenues	<u>-</u>	<u>29,066</u>	<u>29,066</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	29,066	29,066	-
Total Expenditures	<u>-</u>	<u>29,066</u>	<u>29,066</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teachers Hard to Staff Stipend 27195
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	18,225	6,178	(12,047)
Total Revenues	<u>-</u>	<u>18,225</u>	<u>6,178</u>	<u>(12,047)</u>
EXPENDITURES				
Current:				
Instruction	-	18,225	12,525	5,700
Total Expenditures	<u>-</u>	<u>18,225</u>	<u>12,525</u>	<u>5,700</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,347)</u>	<u>(6,347)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,347)</u>	<u>(6,347)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(6,347)</u>	<u>(6,347)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (6,347)	
Adjustments to revenues			6,347	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	2,500	2,500	-
Total Revenues	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	2,500	1,741	759
Total Expenditures	<u>-</u>	<u>2,500</u>	<u>1,741</u>	<u>759</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>759</u>	<u>759</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>759</u>	<u>759</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>74</u>	<u>74</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>833</u>	<u>833</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 759	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 759</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Bond Building 31100
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	320,985	320,000	(985)
Total Revenues	<u>-</u>	<u>320,985</u>	<u>320,000</u>	<u>(985)</u>
EXPENDITURES				
Capital Outlay	-	320,985	320,000	985
Total Expenditures	<u>-</u>	<u>320,985</u>	<u>320,000</u>	<u>985</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	160,871	120,653	(40,218)
Total Revenues	<u>-</u>	<u>160,871</u>	<u>120,653</u>	<u>(40,218)</u>
EXPENDITURES				
Capital Outlay	-	160,871	160,871	-
Total Expenditures	<u>-</u>	<u>160,871</u>	<u>160,871</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(40,218)	(40,218)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(40,218)</u>	<u>(40,218)</u>
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(40,218)</u>	<u>(40,218)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (40,218)	
Adjustments to Revenues			40,218	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	5,129	-	(5,129)
Total Revenues	<u>-</u>	<u>5,129</u>	<u>-</u>	<u>(5,129)</u>
EXPENDITURES				
Capital Outlay	-	5,129	-	5,129
Total Expenditures	<u>-</u>	<u>5,129</u>	<u>-</u>	<u>5,129</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers out	-	-	(179,108)	(179,108)
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>(179,108)</u>	<u>(179,108)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(179,108)</u>	<u>(179,108)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>179,108</u>	<u>179,108</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Net Changes in Fund Balances</i>			\$ (179,108)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (179,108)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 Local 31701
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Property Taxes	\$ -	147,826	147,826	-
Total Revenues	<u>-</u>	<u>147,826</u>	<u>147,826</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	168,145	315,971	262,532	53,439
Total Expenditures	<u>168,145</u>	<u>315,971</u>	<u>262,532</u>	<u>53,439</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(168,145)</u>	<u>(168,145)</u>	<u>(114,706)</u>	<u>53,439</u>
Other financing sources (uses):				
Transfers in	168,145	168,145	197,839	29,694
Total other financing sources (uses):	<u>168,145</u>	<u>168,145</u>	<u>197,839</u>	<u>29,694</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>83,133</u>	<u>83,133</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>83,133</u>	<u>83,133</u>
Reconciliation to GAAP Basis:				
<i>Net Changes in Fund Balances</i>			\$ 83,133	
Adjustments to Revenues			98,598	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 181,731</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Technology Equipment Act 31900
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	117,096	46,395	70,701
Total Expenditures	<u>-</u>	<u>117,096</u>	<u>46,395</u>	<u>70,701</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(117,096)</u>	<u>(46,395)</u>	<u>70,701</u>
Other financing sources (uses):				
Transfers out	-	-	(18,731)	(18,731)
Designated Cash	-	117,096	-	(117,096)
Total other financing sources (uses):	<u>-</u>	<u>117,096</u>	<u>(18,731)</u>	<u>(135,827)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(65,126)</u>	<u>(65,126)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>135,827</u>	<u>135,827</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>70,701</u>	<u>70,701</u>
Reconciliation to GAAP Basis:				
<i>Net Changes in Fund Balances</i>			\$ (65,126)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (65,126)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Peoples Bank</u>	<u>Centinel Bank</u>	<u>Total</u>
Checking - Operational Account	\$ 709,877	\$ -	\$ 709,877
Checking - Activity Account	12,323	-	12,323
Checking - Foundation	-	67,079	67,079
Total on Deposit	722,200	67,079	789,279
Reconciling Items	(11,628)	(15,045)	(26,673)
Reconciled Balance June 30, 2017	710,572	52,034	762,606
Less Agency Funds	(12,323)	-	(12,323)
Total Cash	<u>\$ 698,249</u>	<u>\$ 52,034</u>	<u>\$ 750,283</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Peoples Bank	FHLMC 20YR	3128CUPM2	9/1/2025	\$ 38,420
Peoples Bank	FHR 3560 KP	31398JHY2	11/15/2036	16,156
Peoples Bank	FHLMC 20YR	31335HVE0	1/1/2023	29,063
Peoples Bank	FNR 2010-135 A	31398SJ20	12/25/2038	77,877
Peoples Bank	FNR 2010-135 A	31398SJ20	12/25/2038	62,302
Peoples Bank	FHR 4363 BA	3137BCM54	5/15/2047	57,344
				<u>\$ 281,162</u>

Total Cash in Bank for the School per Schedule of Cash Accounts:	\$ 722,200
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	472,200
Collateral Requirement:	236,100
Pledged Collateral Held by Pledging Financial Institution:	<u>281,162</u>
Balance Over Collateralized:	<u>\$ 45,062</u>
School Balance Uninsured and Uncollateralized at June 30, 2017:	<u>\$ 191,038</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000
Cash, June 30, 2016	\$ 524,009	4,650	191	10,040
Add:				
2016-17 revenues	2,131,253	12,892	-	9,133
Total Cash Available	2,655,262	17,542	191	19,173
Less:				
2016-17 expenditures	(2,317,324)	(17,139)	-	(6,850)
Receivables/Payables	179,931	-	-	-
Cash Transfers	-	-	-	-
Outstanding Loans	(151,061)	-	-	-
Cash June 30, 2017	366,808	403	191	12,323
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	162,408	-	-	-
Cash Per Books	529,216	403	191	12,323
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(15,970)	-	-	(12,323)
Fund Balance, Modified Accrual Basis	\$ 513,246	403	191	-

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	Federal Direct Account Grants 25000	Local Grants 26000	State Flow Through 27000	Local or State Fund 29000	Bond Building 31100	Public School Capital Outlay 31200
-	976	418	-	74	-	-
1,542	2,025	-	38,694	2,500	320,000	120,653
1,542	3,001	418	38,694	2,574	320,000	120,653
(105,428)	-	-	(45,649)	(1,741)	(320,000)	(160,871)
11,121	38	-	170	-	-	-
-	-	-	-	-	-	-
103,886	-	-	6,957	-	-	40,218
11,121	3,039	418	172	833	-	-
-	(976)	-	(2)	-	-	-
11,121	2,063	418	170	833	-	-
(11,121)	(38)	-	(170)	-	-	-
-	2,025	418	-	833	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Cash Reconciliation - (Continued)
June 30, 2017

	SB-9 Capital Improvements 31700	Capital Improvements SB-9 Local 31701	Technology Equipment Act 31900	Total
Cash, June 30, 2016	\$ 179,108	-	117,096	836,562
Add:				
2016-17 revenues	-	147,826	-	2,786,518
Total Cash Available	179,108	147,826	117,096	3,623,080
Less:				
2016-17 expenditures	-	(262,532)	(46,395)	(3,283,929)
Receivables/Payables	-	-	-	191,260
Cash Transfers	(179,108)	197,839	(18,731)	-
Outstanding Loans	-	-	-	-
Cash June 30, 2017	-	83,133	51,970	530,411
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	-	-	18,731	180,161
Cash Per Books	-	83,133	70,701	710,572
			Less - Agency Fund:	(12,323)
			Balance Sheet - Foundation:	52,034
				<u>\$ 750,283</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	-	98,598	-	58,976
Fund Balance, Modified Accrual Basis	\$ -	181,731	70,701	769,548
			Add - Foundation:	52,034
				<u>\$ 821,582</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2017

VOLUME XII



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TAOS INTEGRATED SCHOOL OF THE ARTS

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 410,190
Receivables	
Due from Other Governments	257,306
Deposits	58,277
Total Current Assets	<u>725,773</u>

Noncurrent Assets:

Capital Assets	
Land and Land Improvements	503,244
Furniture, Fixtures, and Equipment	113,376
Less: Accumulated Depreciation	(29,402)
Total Noncurrent Assets	<u>587,218</u>

Total Assets	<u>1,312,991</u>
---------------------	------------------

Deferred Outflows - Pension Related	<u>469,839</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	124,144
Accrued Liabilities	116,952
Total Current Liabilities	<u>241,096</u>

Noncurrent Liabilities:

Net Pension Liability	1,621,356
Total Noncurrent Liabilities	<u>1,621,356</u>

Total Liabilities	<u>1,862,452</u>
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Deferred Inflows - Pension Related	<u>15,421</u>
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NET POSITION (DEFICIT)

Investment in Capital Assets	587,218
Restricted	293,496
Unrestricted (Deficit)	(975,757)
Total Net Position (Deficit)	<u>\$ (95,043)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Statement of Activities
For The Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 1,045,313	4,467	131,338	-	(909,508)
Support Services:					
Students	72,247	1,846	-	-	(70,401)
General Administration	33,743	-	-	-	(33,743)
School Administration	145,155	-	-	-	(145,155)
Central Services	169,907	-	-	-	(169,907)
Operation & Maintenance of Plant	122,862	-	-	-	(122,862)
Facilities Materials, Supplies & Other Services	240,498	-	-	149,928	(90,570)
Total Governmental Activities	\$ 1,829,725	6,313	131,338	149,928	(1,542,146)

General Revenues:

Property Taxes	\$ 177,818
State Equalization Guarantee	1,121,892
Total General Revenues	1,299,710

Change in Net Position

	(242,436)
Net Position, Beginning	147,393
Net Position (Deficit), Ending	\$ (95,043)

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Balance Sheets - Governmental Funds
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS				
Cash and Cash Equivalents	\$ 55,447	18,783	2,981	-
Accounts Receivable				
Due from Other Governments	-	-	67,993	16,891
Due from Other Funds	191,428	-	-	-
Deposits	58,277	-	-	-
Total Assets	\$ 305,152	18,783	70,974	16,891
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	-	-	-
Accrued Expenditures	113,971	-	2,981	-
Due to Other Funds	-	-	67,993	16,891
Total Liabilities	113,971	-	70,974	16,891
Fund Balances				
Fund Balance:				
Nonspendable:				
Deposits	58,277	-	-	-
Restricted for:				
Instruction	-	18,783	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	132,904	-	-	-
Total Fund Balances	191,181	18,783	-	-
Total Liabilities and Fund Balances	\$ 305,152	18,783	70,974	16,891

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Title XIX Medicaid 25153	LANL Foundation 26113	New Mexico Reads to Lead 27114	Bond Building 31100	Public Schools Capital Outlay 31200
-	4,650	24	-	-	-
4,990	-	-	-	-	101,554
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,990</u>	<u>4,650</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>101,554</u>
-	-	-	-	-	-
-	-	-	-	-	-
4,990	-	-	-	-	101,554
<u>4,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,554</u>
-	-	-	-	-	-
-	4,650	24	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>4,650</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,990</u>	<u>4,650</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>101,554</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Balance Sheets - Governmental Funds (Continued)
June 30, 2017**

	SB-9 Capital Improvements 31700	Capital Improvements SB-9 Local 31701	Educational Technology 31900	Total
ASSETS				
Cash and Cash Equivalents	\$ -	302,296	26,009	410,190
Accounts Receivable				
Due from Other Governments	-	65,878	-	257,306
Due from Other Funds	-	-	-	191,428
Deposits	-	-	-	58,277
Total Assets	\$ -	368,174	26,009	917,201
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	124,144	-	124,144
Accrued Expenditures	-	-	-	116,952
Due to Other Funds	-	-	-	191,428
Total Liabilities	-	124,144	-	432,524
Fund Balances				
Fund Balance:				
Nonspendable:				
Deposits	-	-	-	58,277
Restricted for:				
Instruction	-	-	-	23,457
Capital Improvements	-	244,030	26,009	270,039
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	132,904
Total Fund Balances	-	244,030	26,009	484,677
Total Liabilities and Fund Balances	\$ -	368,174	26,009	917,201

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds **\$ 484,677**

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

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

Capital Assets	616,620	
Accumulated Depreciation	<u>(29,402)</u>	
		587,218

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		469,839
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(15,421)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(1,621,356)</u>
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Net Position (Deficit)-Total Governmental Activities		<u><u>\$ (95,043)</u></u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	27,943	-	-	-
State Grant	1,121,892	9,111	-	-
Federal Grant	-	-	71,953	16,891
Charges for Services	4,467	-	-	-
Total Revenues	1,154,302	9,111	71,953	16,891
EXPENDITURES				
Current:				
Instruction	842,056	7,054	71,953	-
Support Services:				
Students	55,066	-	-	16,891
General Administration	33,743	-	-	-
School Administration	127,054	-	-	-
Central Services	161,532	-	-	-
Operation & Maintenance of Plant	116,833	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	1,336,284	7,054	71,953	16,891
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(181,982)</u>	<u>2,057</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(181,982)</u>	<u>2,057</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>373,163</u>	<u>16,726</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 191,181</u>	<u>18,783</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Title XIX Medicaid 25153	LANL Foundation 26113	New Mexico Reads to Lead 27114	Bond Building 31100	Public Schools Capital Outlay 31200
-	-	-	-	-	-
-	-	-	-	48,374	-
-	-	-	-	-	101,554
5,440	-	-	-	-	-
-	1,846	-	-	-	-
<u>5,440</u>	<u>1,846</u>	<u>-</u>	<u>-</u>	<u>48,374</u>	<u>101,554</u>
5,440	-	-	10,206	-	-
-	290	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	48,374	101,554
<u>5,440</u>	<u>290</u>	<u>-</u>	<u>10,206</u>	<u>48,374</u>	<u>101,554</u>
-	1,556	-	(10,206)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,556	-	(10,206)	-	-
-	3,094	24	10,206	-	-
<u>-</u>	<u>4,650</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds - (Continued)
For The Year Ended June 30, 2017**

	SB-9 Capital Improvements 31700	Capital Improvements SB-9 Local 31701	Educational Technology 31900	Total
REVENUES				
Property Taxes	\$ -	177,818	-	177,818
Local & County Grant	-	-	-	76,317
State Grant	-	-	-	1,232,557
Federal Grant	-	-	-	94,284
Charges for Services	-	-	-	6,313
Total Revenues	-	177,818	-	1,587,289
EXPENDITURES				
Current:				
Instruction	-	-	-	936,709
Support Services:				
Students	-	-	-	72,247
General Administration	-	-	-	33,743
School Administration	-	-	-	127,054
Central Services	-	-	-	161,532
Operation & Maintenance of Plant	-	-	-	116,833
Capital Outlay	-	149,919	62,308	362,155
Total Expenditures	-	149,919	62,308	1,810,273
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>-</i>	<i>27,899</i>	<i>(62,308)</i>	<i>(222,984)</i>
Other Financing Sources (Uses):				
Transfers In (Out)	(216,131)	216,131	-	-
Total Other Financing Sources (Uses)	(216,131)	216,131	-	-
Net Changes in Fund Balances	(216,131)	244,030	(62,308)	(222,984)
Fund Balances - Beginning of Year	216,131	-	88,317	707,661
Fund Balances - End of Year	\$ -	244,030	26,009	484,677

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance-Total Governmental Funds **\$ (222,984)**

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

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 capital outlay exceeds
depreciation for the period

Capital Outlays	124,144	
Depreciation Expense	<u>(8,516)</u>	
		115,628
Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability		<u>(135,080)</u>

Change in Net Position-Total Governmental Activities **\$ (242,436)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 9,528
Total Assets	<u>\$ 9,528</u>
 LIABILITIES	
Deposits Held for Others	\$ 9,528
Total Liabilities	<u>\$ 9,528</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 11,858	-	(2,330)	9,528
Total Assets	<u>\$ 11,858</u>	<u>-</u>	<u>(2,330)</u>	<u>9,528</u>
LIABILITIES				
Deposits Held for Others	\$ 11,858	-	(2,330)	9,528
Total Liabilities	<u>\$ 11,858</u>	<u>-</u>	<u>(2,330)</u>	<u>9,528</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Taos Integrated School of the Arts capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Taos Integrated School of the Arts does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Taos Integrated School of the Arts utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 5-20 years

Capital assets for Taos Integrated School of the Arts are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 379,100	-	-	379,100
Land Improvements	-	124,144	-	124,144
<i>Total</i>	<u>379,100</u>	<u>124,144</u>	<u>-</u>	<u>503,244</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 113,376	-	-	113,376
<i>Total</i>	<u>113,376</u>	<u>-</u>	<u>-</u>	<u>113,376</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(20,886)	(8,516)	-	(29,402)
<i>Total</i>	<u>(20,886)</u>	<u>(8,516)</u>	<u>-</u>	<u>(29,402)</u>
Capital Assets, Net	<u>\$ 471,590</u>	<u>115,628</u>	<u>-</u>	<u>587,218</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Operation & Maintenance of Plant	\$	6,029
Facilities Materials, Supplies & Other Services		2,487
Total	\$	8,516

In fiscal year 2016, the School purchased a parcel of land to be used to construct a new facility. In fiscal year 2017, the School made improvements to the land to ensure the land is up to code for construction activities. The construction activities are estimated to take place during the next fiscal year.

NOTE 3. COMMITMENTS AND LIABILITIES

Taos Integrated School of the Arts leases equipment and facilities under short-term cancelable operating leases. Rental expenses for the year ended June 30, 2017 was \$104,134. Taos Integrated School of the Arts future payments on these leases are as follows:

Year Ending June 30:		
2018	\$	259,327
2019		199,327
2020		199,327
2021		199,327
2022		199,327
Total	\$	1,056,635

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Taos Integrated School of the Arts and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Taos Integrated School of the Arts paid employee and employer contributions of \$105,998 and \$89,455.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Taos Integrated School of the Arts reported a liability of \$1,621,356 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Taos Integrated School of the Arts 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, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Taos Integrated School of the Arts proportion was 0.02253%, which was an increase of 0.00346% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Taos Integrated School of the Arts recognized pension expense of \$241,492. At June 30, 2017, Taos Integrated School of the Arts reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,034	(15,421)
Changes in assumptions	33,004	-
Net difference between projected and actual earnings on pension plan investments	96,781	-
Changes in proportion and differences between Taos Integrated School of the Arts contributions and proportionate share of contributions	227,022	-
Taos Integrated School of the Arts contributions subsequent to the measurement date	105,998	-
Total	<u>\$ 469,839</u>	<u>(15,421)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$105,998 reported as deferred outflows of resources related to pensions resulting from Taos Integrated School of the Arts contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	117,816
2019		115,924
2020		91,079
2021		<u>23,601</u>
Total	\$	<u>348,420</u>

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The School's proportionate share of the net pension liability	<u>\$ 2,147,449</u>	<u>1,621,356</u>	<u>1,184,848</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Taos Integrated School of the Arts owed \$37,027 to ERB for fiscal year 2017 contributions.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	30-Jun			
	Fiscal Year	2017	2016	2015
	Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)		0.02253%	0.01907%	0.01713%
School's Proportionate Share of Net Pension Liability (Asset)	\$	1,621	1,235	977
School's Covered-Employee Payroll	\$	617	521	472
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	237.23%	206.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Taos Integrated School of the Arts is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 74	89	106
Contributions in Relation to the Contractually Required Contribution	74	89	106
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Taos Integrated School of the Arts is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	-	36,943	36,943
State Grant	1,161,580	1,121,893	1,121,892	(1)
Charges for Services	-	-	4,467	4,467
Total Revenues	<u>1,161,580</u>	<u>1,121,893</u>	<u>1,163,302</u>	<u>41,409</u>
EXPENDITURES				
Current:				
Instruction	837,327	877,248	842,056	35,192
Support Services:				
Students	70,000	87,080	55,066	32,014
Instruction	4,000	4,000	-	4,000
General Administration	20,500	28,490	33,743	(5,253)
School Administration	140,006	140,006	127,054	12,952
Central Services	135,685	178,685	161,532	17,153
Operation & Maintenance of Plant	106,601	158,547	116,833	41,714
Total Expenditures	<u>1,314,119</u>	<u>1,474,056</u>	<u>1,336,284</u>	<u>137,772</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(152,539)</u>	<u>(352,163)</u>	<u>(172,982)</u>	<u>179,181</u>
Other Financing Sources (Uses):				
Designated Cash	152,539	352,163	-	(352,163)
Total Other Financing Sources (Uses):	<u>152,539</u>	<u>352,163</u>	<u>-</u>	<u>(352,163)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(172,982)</u>	<u>(172,982)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>373,163</u>	<u>373,163</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>200,181</u>	<u>200,181</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (172,982)	
Adjustments to Revenues			(9,000)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (181,982)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 8,276	6,855	9,111	2,256
Total Revenues	<u>8,276</u>	<u>6,855</u>	<u>9,111</u>	<u>2,256</u>
EXPENDITURES				
Current:				
Instruction	8,276	23,581	7,054	16,527
Total Expenditures	<u>8,276</u>	<u>23,581</u>	<u>7,054</u>	<u>16,527</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(16,726)</u>	<u>2,057</u>	<u>18,783</u>
Other Financing Sources (Uses):				
Designated Cash	-	16,726	-	(16,726)
Total Other Financing Sources (Uses):	<u>-</u>	<u>16,726</u>	<u>-</u>	<u>(16,726)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,057</u>	<u>2,057</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>16,726</u>	<u>16,726</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>18,783</u>	<u>18,783</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,057	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 2,057</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 52,363	108,846	31,975	(76,871)
Total Revenues	<u>52,363</u>	<u>108,846</u>	<u>31,975</u>	<u>(76,871)</u>
EXPENDITURES				
Current:				
Instruction	52,363	108,846	71,953	36,893
Total Expenditures	<u>52,363</u>	<u>108,846</u>	<u>71,953</u>	<u>36,893</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(39,978)	(39,978)
Net Changes in Fund Balances	-	-	(39,978)	(39,978)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(39,978)</u>	<u>(39,978)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (39,978)	
Adjustments to Revenues			39,978	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 24,708	41,964	21,761	(20,203)
Total Revenues	<u>24,708</u>	<u>41,964</u>	<u>21,761</u>	<u>(20,203)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	24,708	41,964	16,891	25,073
Total Expenditures	<u>24,708</u>	<u>41,964</u>	<u>16,891</u>	<u>25,073</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>4,870</u>	<u>4,870</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,870</u>	<u>4,870</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,870</u>	<u>4,870</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 4,870	
Adjustments to Revenues			(4,870)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 8,680	18,294	5,450	(12,844)
Total Revenues	<u>8,680</u>	<u>18,294</u>	<u>5,450</u>	<u>(12,844)</u>
EXPENDITURES				
Current:				
Instruction	8,680	18,294	5,440	12,854
Total Expenditures	<u>8,680</u>	<u>18,294</u>	<u>5,440</u>	<u>12,854</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	10	10
Net Changes in Fund Balances	-	-	10	10
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>10</u>	<u>10</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 10	
Adjustments to Revenues			(10)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 25153
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Charges for Services	\$ -	3,094	1,846	(1,248)
Total Revenues	<u>-</u>	<u>3,094</u>	<u>1,846</u>	<u>(1,248)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	3,094	290	2,804
Total Expenditures	<u>-</u>	<u>3,094</u>	<u>290</u>	<u>2,804</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>1,556</u>	<u>1,556</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,556</u>	<u>1,556</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,094</u>	<u>3,094</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,650</u>	<u>4,650</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 1,556	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,556</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
LANL Foundation 26113
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	-	-	24	24
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>24</u>	<u>24</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Reads to Lead 27114
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	-	49,706	49,706
Total Revenues	<u>-</u>	<u>-</u>	<u>49,706</u>	<u>49,706</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>				
	-	-	49,706	49,706
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>49,706</u>	<u>49,706</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>10,206</u>	<u>10,206</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>59,912</u>	<u>59,912</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 49,706	
Adjustments to revenues			(49,706)	
Adjustments to expenditures			(10,206)	
NET CHANGE IN FUND BALANCE			<u>\$ (10,206)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Bond Building 31100
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	89,241	48,374	(40,867)
Total Revenues	<u>-</u>	<u>89,241</u>	<u>48,374</u>	<u>(40,867)</u>
EXPENDITURES				
Capital Outlay	-	89,241	48,374	40,867
Total Expenditures	<u>-</u>	<u>89,241</u>	<u>48,374</u>	<u>40,867</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	106,900	94,700	(12,200)
Total Revenues	<u>-</u>	<u>106,900</u>	<u>94,700</u>	<u>(12,200)</u>
EXPENDITURES				
Capital Outlay	-	106,900	101,554	5,346
Total Expenditures	<u>-</u>	<u>106,900</u>	<u>101,554</u>	<u>5,346</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(6,854)	(6,854)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,854)</u>	<u>(6,854)</u>
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(6,854)</u>	<u>(6,854)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (6,854)	
Adjustments to Revenues			6,854	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	3,625	16,718	13,093
Total Revenues	<u>-</u>	<u>3,625</u>	<u>16,718</u>	<u>13,093</u>
EXPENDITURES				
Capital Outlay	-	3,625	-	3,625
Total Expenditures	<u>-</u>	<u>3,625</u>	<u>-</u>	<u>3,625</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>16,718</u>	<u>16,718</u>
Other Financing Sources (uses):				
Transfers Out	-	-	(216,131)	(216,131)
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>(216,131)</u>	<u>(216,131)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(199,413)</u>	<u>(199,413)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>216,131</u>	<u>216,131</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>16,718</u>	<u>16,718</u>
Reconciliation to GAAP Basis:				
<i>Net Changes in Fund Balances</i>			\$ (199,413)	
Adjustments to Revenues			(16,718)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (216,131)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 Local 31701
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Property Taxes	\$ -	111,941	111,941	-
Total Revenues	<u>-</u>	<u>111,941</u>	<u>111,941</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	328,072	25,776	302,296
Total Expenditures	<u>-</u>	<u>328,072</u>	<u>25,776</u>	<u>302,296</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(216,131)</u>	<u>86,165</u>	<u>302,296</u>
Other Financing Sources (Uses):				
Transfers In	-	216,131	216,131	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>216,131</u>	<u>216,131</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>302,296</u>	<u>302,296</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>302,296</u>	<u>302,296</u>
Reconciliation to GAAP Basis:				
<i>Net Changes in Fund Balances</i>			\$ 302,296	
Adjustments to Revenues			65,877	
Adjustments to Expenditures			(124,143)	
NET CHANGE IN FUND BALANCE			<u>\$ 244,030</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Educational Technology 31900
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	88,317	62,308	26,009
Total Expenditures	<u>-</u>	<u>88,317</u>	<u>62,308</u>	<u>26,009</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(88,317)	(62,308)	26,009
Other Financing Sources (Uses):				
Designated Cash	-	88,317	-	(88,317)
Total Other Financing Sources (Uses):	<u>-</u>	<u>88,317</u>	<u>-</u>	<u>(88,317)</u>
Net Changes in Fund Balances	-	-	(62,308)	(62,308)
Cash or Fund Balances - Beginning of Year	-	-	88,317	88,317
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>26,009</u>	<u>26,009</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (62,308)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (62,308)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Peoples Bank</u>
Checking - Operational Account	\$ 415,020
Checking - Activity Account	9,528
<i>Total on Deposit</i>	424,548
Reconciling Items	(4,830)
Reconciled Balance June 30, 2017	419,718
Less Agency Funds	(9,528)
<i>Total Cash</i>	\$ 410,190

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Peoples Bank	FHLMC High LTV>125%	3132G5AS8	5/1/2028	\$ 53,148
Peoples Bank	FHR 3533 CY	31398CWF1	5/15/2029	119,232
Peoples Bank	FHLMC 20 YR	31335HVE0	1/1/2023	38,750
Peoples Bank	FHR 3822 VE	3137A8KD9	5/15/2022	51,745
Peoples Bank	FNR 2010-135 A	31398SJ20	12/25/2038	7,788
Peoples Bank	FNR 2010-135 A	31398SJ20	12/25/2038	15,575
Peoples Bank	FHR 3560 DK	31398JHC0	8/15/2039	66,196
				<u>\$ 352,434</u>

Total Cash in Bank per Schedule of Cash Accounts:	\$ 424,548
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	174,548
Collateral Requirement:	87,274
Pledged Collateral Held by Pledging Financial Institution:	<u>352,434</u>
Balance Over Collateralized:	<u>\$ 265,160</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Non-Instruct. Fund 23000	Federal Projects Account 24000
Cash, June 30, 2016	\$ 264,363	16,726	11,858	-
Add:				
2016-17 revenues	<u>1,163,302</u>	<u>9,111</u>	<u>-</u>	<u>59,186</u>
Total Cash Available	<u>1,427,665</u>	<u>25,837</u>	<u>11,858</u>	<u>59,186</u>
Less:				
2016-17 expenditures	(1,336,284)	(7,054)	(2,330)	(94,284)
Receivables/Payables	113,971	-	-	2,981
Transfers in (out)	-	-	-	-
Outstanding Loans	<u>(191,428)</u>	<u>-</u>	<u>-</u>	<u>89,874</u>
Cash June 30, 2017	<u>13,924</u>	<u>18,783</u>	<u>9,528</u>	<u>57,757</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>41,523</u>	<u>-</u>	<u>-</u>	<u>(54,776)</u>
Cash Per Books	<u>55,447</u>	<u>18,783</u>	<u>9,528</u>	<u>2,981</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>135,734</u>	<u>-</u>	<u>(9,528)</u>	<u>(2,981)</u>
Fund Balance, Modified Accrual Basis	<u>\$ 191,181</u>	<u>18,783</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Direct Account Grants 25000	Local Grants 26000	State Flow Through 27000	Bond Building 31100	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700
3,094	24	-	-	-	199,413
<u>1,846</u>	<u>-</u>	<u>52,088</u>	<u>48,374</u>	<u>94,700</u>	<u>16,718</u>
4,940	24	52,088	48,374	94,700	216,131
(290)	-	-	(48,374)	(101,554)	-
-	-	-	-	-	-
-	-	-	-	-	(216,131)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,554</u>	<u>-</u>
<u>4,650</u>	<u>24</u>	<u>52,088</u>	<u>-</u>	<u>94,700</u>	<u>-</u>
-	-	(52,088)	-	(94,700)	-
<u>4,650</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>4,650</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Cash Reconciliation (Continued)
June 30, 2017**

	Capital Improvements SB-9 Local 31701	Educational Technology 31900	Total
Cash, June 30, 2016	\$ -	88,317	583,795
Add:			
2016-17 revenues	111,941	-	1,557,266
Total Cash Available	111,941	88,317	2,141,061
Less:			
2016-17 expenditures	(25,776)	(62,308)	(1,678,254)
Receivables/Payables	-	-	116,952
Transfers in (out)	216,131	-	-
Outstanding Loans	-	-	-
Cash June 30, 2017	302,296	26,009	579,759
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	-	-	(160,041)
Cash Per Books	302,296	26,009	419,718
		Less - Agency Fund:	(9,528)
			<u>\$ 410,190</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	(58,266)	-	64,959
Fund Balance, Modified Accrual Basis	<u>\$ 244,030</u>	<u>26,009</u>	<u>484,677</u>

The accompanying notes are an integral part of these financial statements

TAOS INTERNATIONAL CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 463,505
Receivables	
Due from Other Governments	14,968
Deposits	4,000
Prepaid Expenditures	26,780
Total Current Assets	<u>509,253</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	50,449
Less: Accumulated Depreciation	<u>(2,123)</u>
Total Noncurrent Assets	<u>48,326</u>
Total Assets	<u>557,579</u>

Deferred Outflows - Pension Related	<u>990,789</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	4,154
Accrued Liabilities	<u>180,771</u>
Total Current Liabilities	<u>184,925</u>

Noncurrent Liabilities:

Net Pension Liability	<u>1,437,847</u>
Total Noncurrent Liabilities	<u>1,437,847</u>
Total Liabilities	<u>1,622,772</u>

Deferred Inflows - Pension Related	<u>13,676</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	48,326
Restricted	21,082
Unrestricted (Deficit)	<u>(157,488)</u>
Total Net Position (Deficit)	<u>\$ (88,080)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,322,433	-	55,417	-	(1,267,016)
Support Services:					
Students	15,787	-	3,357	-	(12,430)
Instruction	5,811	-	-	-	(5,811)
General Administration	25,293	-	-	-	(25,293)
School Administration	219,023	-	-	-	(219,023)
Central Services	113,903	-	-	-	(113,903)
Operation & Maintenance of Plant	236,761	-	-	-	(236,761)
Food Services Operations	166,414	1,059	121,523	-	(43,832)
Facilities Materials, Supplies & Other Services	67,357	-	-	110,806	43,449
Total Governmental Activities	\$ 2,172,782	1,059	180,297	110,806	(1,880,620)
General Revenues:					
State Equalization Guarantee					\$ 1,623,014
Total General Revenues					<u>1,623,014</u>
Change in Net Position					<u>(257,606)</u>
Net Position, Beginning					169,526
Net Position (Deficit), Ending					<u>\$ (88,080)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Balance Sheets - Governmental Funds
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 442,423	2,517	17,995	-
Accounts Receivable				
Due from Other Governments	-	-	-	3,300
Due from Other Funds	14,968	-	-	-
Deposits	4,000	-	-	-
Prepaid Expenditures	26,780	-	-	-
Total Assets	\$ 488,171	2,517	17,995	3,300
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 4,154	-	-	-
Accrued Expenditures	180,771	-	-	-
Due to Other Funds	-	-	-	3,300
Total Liabilities	184,925	-	-	3,300
Fund Balances				
Fund Balance:				
Nonspendable:				
Deposits	4,000	-	-	-
Prepaid Expenditures	26,780	-	-	-
Restricted for:				
Instruction	-	2,517	-	-
Support Services - Students	-	-	-	-
Food Service Operations	-	-	17,995	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	272,466	-	-	-
Total Fund Balance	303,246	2,517	17,995	-
Total Liabilities and Fund Balances	\$ 488,171	2,517	17,995	3,300

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher/ Principal Training 24154	Title XIX Medicaid 25153	Rural Education Assistance Program 25233	2012 GO Bond Student Library 27107	Public School Capital Outlay 31200
-	-	570	-	-	-
11,668	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,668</u>	<u>-</u>	<u>570</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
11,668	-	-	-	-	-
<u>11,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	570	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>570</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>11,668</u>	<u>-</u>	<u>570</u>	<u>-</u>	<u>-</u>	<u>-</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Balance Sheets - Governmental Funds
June 30, 2017**

	SB-9 Capital Improvement 31700	Total
ASSETS		
Cash and Cash Equivalents	\$ -	463,505
Accounts Receivable		
Due from Other Governments	-	14,968
Due from Other Funds	-	14,968
Deposits	-	4,000
Prepaid Expenditures	-	26,780
Total Assets	\$ -	524,221
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	4,154
Accrued Expenditures	-	180,771
Due to Other Funds	-	14,968
Total Liabilities	-	199,893
Fund Balances		
Fund Balance:		
Nonspendable:		
Deposits	-	4,000
Prepaid Expenditures	-	26,780
Restricted for:		
Instruction	-	2,517
Support Services - Students	-	570
Food Service Operations	-	17,995
Assigned to:		
Subsequent Years Expenditures and Other Programs	-	272,466
Total Fund Balance	-	324,328
Total Liabilities and Fund Balances	\$ -	524,221

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 324,328**

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

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

Capital Assets	50,449	
Accumulated Depreciation	<u>(2,123)</u>	
		48,326

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds		990,789
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(13,676)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(1,437,847)</u>
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Net Position (Deficit)-Total Governmental Activities **\$ (88,080)**

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
Local & County Grant	\$ 5,500	-	-	-
State Grant	1,623,014	10,165	-	-
Federal Grant	-	-	121,523	13,300
Charges for Services	-	-	1,059	-
Miscellaneous Income	2,236	-	-	-
Total Revenues	1,630,750	10,165	122,582	13,300
EXPENDITURES				
Current:				
Instruction	1,011,666	7,648	-	13,300
Support Services:				
Students	13,000	-	-	-
Instruction	4,476	-	-	-
General Administration	25,293	-	-	-
School Administration	171,989	-	-	-
Central Services	106,060	-	-	-
Operation & Maintenance of Plant	224,212	-	-	-
Food Services Operations	47,687	-	116,092	-
Capital Outlay	-	-	-	-
Total Expenditures	1,604,383	7,648	116,092	13,300
Net Changes in Fund Balances	26,367	2,517	6,490	-
Fund Balances - Beginning of Year	276,879	-	11,505	-
Fund Balances - End of Year	\$ 303,246	2,517	17,995	-

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher/ Principal Training 24154	Title XIX Medicaid 25153	Rural Education Assistance Program 25233	2012 GO Bond Student Library 27107	Public School Capital Outlay 31200
-	-	-	-	-	-
-	-	-	-	-	110,806
21,043	1,246	3,357	1,927	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,043</u>	<u>1,246</u>	<u>3,357</u>	<u>1,927</u>	<u>-</u>	<u>110,806</u>
21,043	1,246	-	1,927	-	-
-	-	2,787	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	110,806
<u>21,043</u>	<u>1,246</u>	<u>2,787</u>	<u>1,927</u>	<u>-</u>	<u>110,806</u>
-	-	570	-	-	-
-	-	-	-	-	-
-	-	570	-	-	-
<u>-</u>	<u>-</u>	<u>570</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	SB-9 Capital Improvement 31700	Total
REVENUES		
Local & County Grant	\$ -	5,500
State Grant	-	1,743,985
Federal Grant	-	162,396
Charges for Services	-	1,059
Miscellaneous Income	-	2,236
Total Revenues	-	1,915,176
EXPENDITURES		
Current:		
Instruction	-	1,056,830
Support Services:		
Students	-	15,787
Instruction	-	4,476
General Administration	-	25,293
School Administration	-	171,989
Central Services	-	106,060
Operation & Maintenance of Plant	-	224,212
Food Services Operations	-	163,779
Capital Outlay	-	110,806
Total Expenditures	-	1,879,232
Net Changes in Fund Balances	-	35,944
Fund Balances - Beginning of Year	-	288,384
Fund Balances - End of Year	\$ -	324,328

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 35,944**

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

Capital outlays to purchase or build capital assets are reported in governmental
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 capital outlay exceeds
depreciation for the period.

Capital Outlays	43,449	
Depreciation Expense	(2,035)	
	41,414	41,414

Changes in deferred outflows of resources - pension related, deferred inflows of resources - pension related, and the net pension liability		(334,964)
		(334,964)

Change in Net Position-Total Governmental Activities **\$ (257,606)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Fund</u>
ASSETS	
Cash in Bank	\$ 8,511
Total Assets	<u>\$ 8,511</u>
LIABILITIES	
Deposits Held for Others	\$ 8,511
Total Liabilities	<u>\$ 8,511</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 6,128	17,839	(15,456)	8,511
Total Assets	<u>\$ 6,128</u>	<u>17,839</u>	<u>(15,456)</u>	<u>8,511</u>
 LIABILITIES				
Deposits Held for Others	\$ 6,128	17,839	(15,456)	8,511
Total Liabilities	<u>\$ 6,128</u>	<u>17,839</u>	<u>(15,456)</u>	<u>8,511</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Taos International Charter School’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Taos International Charter School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Taos International Charter School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Equipment 10 years

Capital assets for Taos International Charter School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Equipment	\$ 7,000	43,449	-	50,449
<i>Total</i>	<u>7,000</u>	<u>43,449</u>	<u>-</u>	<u>50,449</u>
<i>Less: Accumulated Depreciation</i>				
Equipment	(88)	(2,035)	-	(2,123)
<i>Total</i>	<u>(88)</u>	<u>(2,035)</u>	<u>-</u>	<u>(2,123)</u>
Capital Assets, Net	<u>\$ 6,912</u>	<u>41,414</u>	<u>-</u>	<u>48,326</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following function:

Operation and Maintenance of Plant	\$ 1,335
Food Services Operations	700
Total	<u>\$ 2,035</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

Taos International Charter School leases facilities under long-term cancelable operating leases. Rental expenses for the year ended June 30, 2017 was \$224,700. The Taos International Charter School's minimum future payments on this lease are as follows:

Year Ending June 30:	
2018	\$ 351,564
2019	403,800
2020	403,800
2021	403,800
2022	403,800
2023	403,800
Total	<u>\$ 2,370,564</u>

NOTE 4. RELATED PARTY TRANSACTIONS

The business manager services are performed by the Vigil Group, which performed services for multiple state charter schools.

The Executive Director's spouse is employed by Taos International Charter School. The Executive Director's husband is employed by Taos International Charter School as the Custodian.

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Taos International Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal years ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico legislature. For the fiscal years ended June 30, 2017 and 2016, Taos International Charter School paid employee and employer contributions of \$116,043 and \$71,455.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Taos International Charter School reported a liability of \$1,437,847 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Taos International Charter School’s proportion of the net pension liability is based on the employer contribution entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Taos International Charter School’s proportion was 0.01998%, which was an increase of 0.008% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Taos International Charter School recognized pension expense of \$459,130. As of June 30, 2017, Taos International Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,238	(13,676)
Changes in assumptions	29,269	-
Net difference between projected and actual earnings on pension plan investments	85,828	-
Changes in proportion and differences between Taos International Charter School’s contributions and proportionate share of contributions	753,411	-
Taos International Charter School’s contributions subsequent to the measurement date	116,043	-
	<hr/>	<hr/>
Total	<u>\$ 990,789</u>	<u>(13,676)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$116,043 reported as deferred outflows of resources related to pensions resulting from Taos International Charter School contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:			
2018	\$		349,969
2019			339,407
2020			150,766
2021			20,928
Total	\$		<u>861,070</u>

Sensitivity of Taos International Charter School’s proportionate share of the net pension liability to changes in the discount rate. The following presents Taos International Charter School’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what Taos International Charter 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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Taos International Charter School’s proportionate share of the net pension liability	\$ 1,904,396	1,437,847	1,050,744

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at [www.nmerb.org/Annual reports.html](http://www.nmerb.org/Annual%20reports.html).

Payables to the pension plan. At June 30, 2017, Taos International Charter School owed \$41,050 to ERB for fiscal year 2017 contributions.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

		30-Jun		
	Fiscal Year	2017	2016	2015
	Measurement Date	2016	2015	2014
Taos International Charter School's Proportion of the Net Pension Liability (Asset)		0.02%	0.01%	0.04%
Taos International Charter School's Proportionate Share of Net Pension Liability (Asset)	\$	1,438	749	-
Taos International Charter School's Covered-Employee Payroll	\$	548	316	-
Taos International Charter School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.41%	237.03%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	0.00%

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Taos International Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ 52	71	116
Contributions in Relation to the Contractually Required Contribution	46	71	116
Annual contribution deficiency (excess)	\$ 6	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Taos International Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	5,500	5,500	-
State Grant	1,734,811	1,623,014	1,623,014	-
Miscellaneous Income	-	2,236	2,236	-
Total Revenues	<u>1,734,811</u>	<u>1,630,750</u>	<u>1,630,750</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	1,180,426	1,160,655	1,024,746	135,909
Support Services:				
Students	11,000	21,834	13,000	8,834
Instruction	22,000	12,000	4,476	7,524
General Administration	29,000	41,100	25,293	15,807
School Administration	194,799	208,299	181,452	26,847
Central Services	146,217	123,626	106,060	17,566
Operation & Maintenance of Plant	281,369	281,615	222,331	59,284
Food Services Operations	40,000	50,300	47,686	2,614
Total Expenditures	<u>1,904,811</u>	<u>1,899,429</u>	<u>1,625,044</u>	<u>274,385</u>
OTHER FINANCING SOURCES (USES)				
Designated Cash	170,000	268,679	-	(268,679)
Total Other Financing Sources (Uses):	<u>170,000</u>	<u>268,679</u>	<u>-</u>	<u>(268,679)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>5,706</u>	<u>5,706</u>
Cash or Fund Balances - Beginning of Year	<u>276,879</u>	<u>276,879</u>	<u>276,879</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 276,879</u>	<u>276,879</u>	<u>282,585</u>	<u>5,706</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 5,706	
Adjustments to Revenues			-	
Adjustments to Expenditures			20,661	
NET CHANGE IN FUND BALANCE			<u>\$ 26,367</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 6,134	8,752	10,165	1,413
Total Revenues	<u>6,134</u>	<u>8,752</u>	<u>10,165</u>	<u>1,413</u>
EXPENDITURES				
Current:				
Instruction	6,134	8,752	7,648	1,104
Total Expenditures	<u>6,134</u>	<u>8,752</u>	<u>7,648</u>	<u>1,104</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,517</u>	<u>2,517</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,517</u>	<u>2,517</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 2,517	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 2,517</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 40,000	108,880	123,729	14,849
Charges for Services	-	-	1,059	1,059
Total Revenues	40,000	108,880	124,788	15,908
EXPENDITURES				
Current:				
Food Services Operations	40,000	118,179	116,092	2,087
Total Expenditures	40,000	118,179	116,092	2,087
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(9,299)	8,696	17,995
Other Financing Sources (Uses):				
Designated Cash	-	9,299	-	(9,299)
Total Other Financing Sources (Uses):	-	9,299	-	(9,299)
Net Changes in Fund Balances	-	-	8,696	8,696
Cash or Fund Balances - Beginning of Year	-	-	11,505	11,505
Cash or Fund Balances - End of Year	\$ -	-	20,201	20,201
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 8,696	
Adjustments to Revenues			(2,206)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 6,490	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 10,778	68,079	10,000	(58,079)
Total Revenues	<u>10,778</u>	<u>68,079</u>	<u>10,000</u>	<u>(58,079)</u>
EXPENDITURES				
Current:				
Instruction	10,778	68,079	13,300	54,779
Total Expenditures	<u>10,778</u>	<u>68,079</u>	<u>13,300</u>	<u>54,779</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,300)</u>	<u>(3,300)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,300)</u>	<u>(3,300)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (3,300)	
Adjustments to Revenues			3,300	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 9,375	21,043	9,375	(11,668)
Total Revenues	<u>9,375</u>	<u>21,043</u>	<u>9,375</u>	<u>(11,668)</u>
EXPENDITURES				
Current:				
Instruction	9,375	21,043	21,043	-
Total Expenditures	<u>9,375</u>	<u>21,043</u>	<u>21,043</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(11,668)</u>	<u>(11,668)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,668)</u>	<u>(11,668)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (11,668)	
Adjustments to Revenues			11,668	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title II 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 1,754	10,520	1,246	(9,274)
Total Revenues	<u>1,754</u>	<u>10,520</u>	<u>1,246</u>	<u>(9,274)</u>
EXPENDITURES				
Current:				
Instruction	1,754	10,520	1,246	9,274
Total expenditures	<u>1,754</u>	<u>10,520</u>	<u>1,246</u>	<u>9,274</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 25153
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	3,358	3,357	(1)
Total Revenues	<u>-</u>	<u>3,358</u>	<u>3,357</u>	<u>(1)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	3,358	2,787	571
Total Expenditures	<u>-</u>	<u>3,358</u>	<u>2,787</u>	<u>571</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>570</u>	<u>570</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>570</u>	<u>570</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 570	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 570</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Rural Education Achievement Program 25233
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 1,927	1,927	1,927	-
Total Revenues	<u>1,927</u>	<u>1,927</u>	<u>1,927</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	1,927	1,927	1,927	-
Total Expenditures	<u>1,927</u>	<u>1,927</u>	<u>1,927</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
2012 GO Bond Student Library 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	3,162	3,162
Total Revenues	<u>-</u>	<u>-</u>	<u>3,162</u>	<u>3,162</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,162</u>	<u>3,162</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,162</u>	<u>3,162</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 3,162	
Adjustments to Revenues			(3,162)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	110,806	110,806	-
Total Revenues	<u>-</u>	<u>110,806</u>	<u>110,806</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	110,806	110,806	-
Total Expenditures	<u>-</u>	<u>110,806</u>	<u>110,806</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvement 31700
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 2,817	6,861	-	(6,861)
Total Revenues	<u>2,817</u>	<u>6,861</u>	<u>-</u>	<u>(6,861)</u>
EXPENDITURES				
Capital Outlay	2,817	6,861	-	6,861
Total Expenditures	<u>2,817</u>	<u>6,861</u>	<u>-</u>	<u>6,861</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Peoples Bank	REMIC	31398SJ20	12/25/2038	\$ 23,363
Peoples Bank	REMIC	31394JKA4	9/15/2033	22,497
Peoples Bank	REMIC	31398CWF1	5/15/2029	59,616
Peoples Bank	REMIC	31398JHC0	8/15/2039	66,196
				<u>\$ 171,672</u>
Total Cash per Schedule of Cash Accounts:				\$ 482,156
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				232,156
Collateral Requirement:				116,078
Pledged Collateral Held by Pledging Financial Institution:				<u>171,672</u>
Balance Over Collateralized:				<u>\$ 55,594</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 60,484</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>People's Bank</u>
Checking - Operational Account	\$ 482,156
<i>Total on Deposit</i>	482,156
Reconciling Items	<u>(10,140)</u>
Reconciled Balance June 30, 2016	<u>472,016</u>
Less: Agency Funds	<u>(8,511)</u>
<i>Total Cash</i>	<u><u>\$ 463,505</u></u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos International Charter School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000
Cash, June 30, 2016	\$ 430,317	-	9,299	6,128
Add:				
2016-17 revenues	<u>1,630,750</u>	<u>10,165</u>	<u>124,788</u>	<u>17,839</u>
Total Cash Available	2,061,067	10,165	134,087	23,967
Less:				
2016-17 expenditures	(1,625,044)	(7,648)	(116,092)	(15,456)
Receivables/Payables	180,771	-	-	-
Outstanding Loans	<u>(14,968)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>601,826</u>	<u>2,517</u>	<u>17,995</u>	<u>8,511</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(159,403)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Per Books	<u>442,423</u>	<u>2,517</u>	<u>17,995</u>	<u>8,511</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(139,177)</u>	<u>-</u>	<u>-</u>	<u>(8,511)</u>
Fund Balance, Modified Accrual Basis	<u>\$ 303,246</u>	<u>2,517</u>	<u>17,995</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	Federal Direct Fund 25000	State Account 27000	Public School Capital Outlay 31200	Total
(1,775)	-	(2,268)	-	441,701
<u>20,621</u>	<u>5,284</u>	<u>3,162</u>	<u>110,806</u>	<u>1,923,415</u>
18,846	5,284	894	110,806	2,365,116
(35,589)	(4,714)	-	(110,806)	(1,915,349)
-	-	-	-	180,771
<u>14,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,775)</u>	<u>570</u>	<u>894</u>	<u>-</u>	<u>630,538</u>
<u>1,775</u>	<u>-</u>	<u>(894)</u>	<u>-</u>	<u>(158,522)</u>
<u>-</u>	<u>570</u>	<u>-</u>	<u>-</u>	<u>472,016</u>
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities - Agency Fund:				(8,511)
				<u>\$ 463,505</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(147,688)</u>
<u>-</u>	<u>570</u>	<u>-</u>	<u>-</u>	<u>324,328</u>

TECHNOLOGY LEADERSHIP HIGH SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Statement of Net Position
June 30, 2017**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 874,313
Receivables	
Due from Other Governments	107,758
Deposits	5,417
Total Current Assets	<u>987,488</u>

Noncurrent Assets:

Capital Assets	
Building Improvements	247,016
Equipment	13,341
Less: Accumulated Depreciation	(103,213)
Total Noncurrent Assets	<u>157,144</u>
Total Assets	<u>1,144,632</u>

Deferred Outflows - Pension Related	<u>1,138,890</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	17,761
Accrued Liabilities	46,069
Total Current Liabilities	<u>63,830</u>

Noncurrent Liabilities:

Net Pension Liability	1,386,033
Total Noncurrent Liabilities	<u>1,386,033</u>
Total Liabilities	<u>1,449,863</u>

Deferred Inflows - Pension Related	<u>13,183</u>
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NET POSITION

Net Investment in Capital Assets	157,144
Restricted	16,883
Unrestricted	646,449
Total Net Position	<u>\$ 820,476</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 583,137	-	172,829	-	(410,308)
Support Services:					
Students	426,071	-	-	-	(426,071)
Instruction	1,818	-	-	-	(1,818)
General Administration	29,802	-	-	-	(29,802)
School Administration	145,512	-	-	-	(145,512)
Central Services	378,283	-	-	-	(378,283)
Operation & Maintenance of Plant	128,669	-	-	-	(128,669)
Community Services Operations	15,625	-	-	-	(15,625)
Food Services Operations	39,058	-	-	-	(39,058)
Facilities Materials, Supplies & Other Services	141,194	-	-	188,694	47,500
Total Governmental Activities	<u>\$ 1,889,169</u>	<u>-</u>	<u>172,829</u>	<u>188,694</u>	<u>(1,527,646)</u>
			General Revenues:		
			State Equalization Guarantee	\$ 1,810,556	
			Total General Revenues	<u>1,810,556</u>	
			Change in Net Position		282,910
			Net Position (Deficit), Beginning, as Previously Reported		461,092
			Restatement (Note 4)		<u>76,474</u>
			Net Position (Deficit), Beginning, as Restated		<u>537,566</u>
			Net Position (Deficit), Ending		<u>\$ 820,476</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 809,860	8,784	-	-
Accounts Receivable				
Due from Other Governments	-	-	-	26,047
Due from Other Funds	105,624	-	-	-
Deposits	-	-	-	-
Total Assets	\$ 915,484	8,784	-	26,047
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 16,781	-	-	-
Accrued Expenditures	43,935	-	-	2,133
Due to Other Funds	-	-	-	23,914
Total Liabilities	60,716	-	-	26,047
Fund Balances				
Fund Balance:				
Nonspendable:				
Deposits	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	-	8,784	-	-
Food Service Operations	-	-	-	-
Student Transportation	-	-	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	854,768	-	-	-
Total Fund Balance	854,768	8,784	-	-
Total Liabilities and Fund Balances	\$ 915,484	8,784	-	26,047

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Title II 24154	Title XIX Medicaid 25152	Private Direct Grants 29102	McCune Charitable Foundation 29114
-	-	2,682	5,487	-
3,500	8,456	-	-	-
-	-	-	-	-
-	-	-	-	5,417
<u>3,500</u>	<u>8,456</u>	<u>2,682</u>	<u>5,487</u>	<u>5,417</u>
-	-	-	980	-
1	-	-	-	-
3,499	8,456	-	-	-
<u>3,500</u>	<u>8,456</u>	<u>-</u>	<u>980</u>	<u>-</u>
-	-	-	-	5,417
-	-	-	-	-
-	-	2,682	4,507	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>2,682</u>	<u>4,507</u>	<u>5,417</u>
<u>3,500</u>	<u>8,456</u>	<u>2,682</u>	<u>5,487</u>	<u>5,417</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Balance Sheets - Governmental Funds
June 30, 2017

	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	Capital Improvements HB-33 31600	Total
ASSETS				
Cash and Cash Equivalents	\$ -	-	47,500	874,313
Accounts Receivable				
Due from Other Governments	-	69,755	-	107,758
Due from Other Funds	-	-	-	105,624
Deposits	-	-	-	5,417
Total Assets	\$ -	69,755	47,500	1,093,112
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	-	-	17,761
Accrued Expenditures	-	-	-	46,069
Due to Other Funds	-	69,755	-	105,624
Total Liabilities	-	69,755	-	169,454
<i>Fund Balances</i>				
Fund Balance:				
Nonspendable:				
Deposits	-	-	-	5,417
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	-	-	-	15,973
Food Service Operations	-	-	-	-
Student Transportation	-	-	-	-
Capital Improvements	-	-	47,500	47,500
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	854,768
Total Fund Balance	-	-	47,500	923,658
<i>Total Liabilities and Fund Balances</i>	\$ -	69,755	47,500	1,093,112

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017

Fund Balances - Total Governmental Funds **\$ 923,658**

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

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

Capital Assets	260,357	
Accumulated Depreciation	(103,213)	
		157,144

Defined benefit pension plan deferred outflows are not financial
 resources and, therefore, are not reported in the funds. 1,138,890

Defined benefit pension plan deferred inflows are not due and
 payable in the current period and, therefore, are not reported
 in the funds. (13,183)

The net pension liability is not due and payable in the current
 period and, therefore, is not reported in the funds. (1,386,033)

Net Position-Total Governmental Activities **\$ 820,476**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>Food Services 21000</u>	<u>Title I IASA 24101</u>
REVENUES				
State Grant	\$ 1,810,556	6,749	-	-
Federal Grant	-	-	36,007	69,650
Miscellaneous Income	5,677	-	-	-
Total Revenues	<u>1,816,233</u>	<u>6,749</u>	<u>36,007</u>	<u>69,650</u>
EXPENDITURES				
Current:				
Instruction	349,428	3,521	-	64,667
Support Services:				
Students	321,496	-	-	4,983
Instruction	1,818	-	-	-
General Administration	29,802	-	-	-
School Administration	111,749	-	-	-
Central Services	291,305	-	-	-
Operation & Maintenance of Plant	74,818	-	-	-
Food Services Operations	2,849	-	36,007	-
Community Services Operation	15,625	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,198,890</u>	<u>3,521</u>	<u>36,007</u>	<u>69,650</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>617,343</u>	<u>3,228</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>617,343</u>	<u>3,228</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>237,425</u>	<u>5,556</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 854,768</u>	<u>8,784</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Title II 24154	Title XIX Medicaid 25152	Private Direct Grants 29102	McCune Charitable Foundation 29114	Public School Capital Outlay 31200
-	-	-	-	-	59,407
28,500	8,456	2,790	-	-	-
-	-	-	15,000	-	-
<u>28,500</u>	<u>8,456</u>	<u>2,790</u>	<u>15,000</u>	<u>-</u>	<u>59,407</u>
28,500	6,187	-	8,570	-	-
-	2,269	1,807	837	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	884	-	-
-	-	-	-	-	-
-	-	-	202	-	-
-	-	-	-	-	-
-	-	-	-	-	59,407
<u>28,500</u>	<u>8,456</u>	<u>1,807</u>	<u>10,493</u>	<u>-</u>	<u>59,407</u>
-	-	983	4,507	-	-
-	-	983	4,507	-	-
-	-	1,699	-	5,417	-
-	-	2,682	4,507	5,417	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Special Capital Outlay - State 31400	Capital Improvements HB-33 31600	Total
REVENUES			
State Grant	\$ 81,787	47,500	2,005,999
Federal Grant	-	-	145,403
Miscellaneous Income	-	-	20,677
Total Revenues	<u>81,787</u>	<u>47,500</u>	<u>2,172,079</u>
EXPENDITURES			
Current:			
Instruction	-	-	460,873
Support Services:			
Students	-	-	331,392
Instruction	-	-	1,818
General Administration	-	-	29,802
School Administration	-	-	111,749
Central Services	-	-	292,189
Operation & Maintenance of Plant	-	-	74,818
Food Services Operations	-	-	39,058
Community Services Operation	-	-	15,625
Capital Outlay	81,787	-	141,194
Total Expenditures	<u>81,787</u>	<u>-</u>	<u>1,498,518</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>47,500</u>	<u>673,561</u>
Net Changes in Fund Balances	<u>-</u>	<u>47,500</u>	<u>673,561</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>250,097</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>47,500</u>	<u>923,658</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 673,561**

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

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 capital outlay exceeds
depreciation for the period

Depreciation Expense	(53,851)	(53,851)
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Changes in deferred outflows of resources - pension related, deferred inflows of resources - pension related, and the net pension liability	(336,800)	
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Change in Net Position-Total Governmental Activities	\$ 282,910	
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The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Technology Leadership High School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Technology Leadership High School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Technology Leadership High School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Building Improvements	5 years
Equipment	3 years

Capital assets for Technology Leadership High School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Transfers	June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Building Improvements	\$ 247,016	-	-	247,016
Equipment	13,341	-	-	13,341
<i>Total</i>	<u>260,357</u>	-	-	<u>260,357</u>
<i>Less: Accumulated Depreciation</i>				
Building Improvements	(45,286)	(49,404)	-	(94,690)
Equipment	(4,076)	(4,447)	-	(8,523)
<i>Total</i>	<u>(49,362)</u>	<u>(53,851)</u>	-	<u>(103,213)</u>
Capital Assets, Net	<u>\$ 210,995</u>	<u>(53,851)</u>	-	<u>157,144</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Facilities, Materials, Supplies & Other Services	\$ 53,851
Total	<u>\$ 53,851</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

Technology Leadership High School leases facilities under long-term cancelable operating leases. Lease expenses for the year ended June 30, 2017 was \$65,000. Technology Leadership High School's minimum future payments on this lease are as follows:

Year Ending June 30:	
2018	\$ 138,400
2019	193,400
2020	208,400
Total	<u>\$ 540,200</u>

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Technology Leadership High School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal years ended June 30, 2017 and 2016, educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal year ended June 30, 2017 Technology Leadership High School paid employee and employer contributions of \$115,722. Technology Leadership High School did not have employee and employer contributions for the fiscal year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Technology Leadership High School reported a liability of \$1,386,033 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Technology Leadership High School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Technology Leadership High School’s proportion was 0.01926%, which was an increase of 0.01926% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Technology Leadership High School recognized pension expense of \$452,508. At June 30, 2017, Technology Leadership High School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,013	\$ (13,183)
Changes in assumptions	28,214	-
Net difference between projected and actual earnings on pension plan investments	82,735	-
Changes in proportion and differences between Technology Leadership High School’s contributions and proportionate share of contributions	906,206	-
Technology Leadership High School’s contributions subsequent to the measurement date	115,722	-
Total	\$ 1,138,890	\$ (13,183)

The amount of \$115,722 reported as deferred outflows of resources related to pensions resulting from Technology Leadership High School contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 347,281
2019	351,448
2020	291,080
2021	20,176
Total	\$ 1,009,985

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Sensitivity of Technology Leadership High School’s proportionate share of the net pension liability to changes in the discount rate. The following presents Technology Leadership High School’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what Technology Leadership High 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:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Technology Leadership High School’s proportionate share of the net pension liability	<u>\$ 1,835,769</u>	<u>1,386,033</u>	<u>1,012,880</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s website at [www.nmerb.org/Annual reports.html](http://www.nmerb.org/Annual%20reports.html).

Payables to the pension plan. At June 30, 2017, Technology Leadership High School owed \$24,482 to ERB for fiscal year 2017 contributions.

NOTE 5. RESTATEMENT

As a result of implementation of GASB No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, net position at June 30, 2016 was restated in the amount of \$76,474.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	30-Jun			
	Fiscal Year	2017	2016	2015
	Measurement Date	2016	2015	2014
Technology Leadership High School's Proportion of the Net Pension Liability (Asset)		0.019%	0.00%	0.00%
Technology Leadership High School's Proportionate Share of Net Pension Liability (Asset)	\$	1,386	-	-
Technology Leadership High School's Covered-Employee Payroll	\$	528	-	-
Technology Leadership High School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Technology Leadership High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ -	76	116
Contributions in Relation to the Contractually Required Contribution	-	76	116
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Technology Leadership High School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 2,112,869	1,810,556	1,810,556	-
Miscellaneous Income	-	-	5,677	5,677
Total Revenues	<u>2,112,869</u>	<u>1,810,556</u>	<u>1,816,233</u>	<u>5,677</u>
EXPENDITURES				
Current:				
Instruction	702,733	702,733	348,505	354,228
Support Services:				
Students	410,817	438,862	306,586	132,276
Instruction	5,000	5,000	1,818	3,182
General Administration	75,000	75,000	29,002	45,998
School Administration	135,193	130,455	111,749	18,706
Central Services	336,411	321,176	291,305	29,871
Operation & Maintenance of Plant	620,715	304,330	74,669	229,661
Food Services Operations	-	6,000	2,849	3,151
Community Services Operations	27,000	27,000	15,625	11,375
Total Expenditures	<u>2,312,869</u>	<u>2,010,556</u>	<u>1,182,108</u>	<u>828,448</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(200,000)</u>	<u>(200,000)</u>	<u>634,125</u>	<u>834,125</u>
Other Financing Sources (Uses):				
Designated Cash	200,000	200,000	-	(200,000)
Total Other Financing Sources (Uses):	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>634,125</u>	<u>634,125</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>237,425</u>	<u>237,425</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>871,550</u>	<u>871,550</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 634,125	
Adjustments to Revenues			-	
Adjustments to Expenditures			(16,782)	
NET CHANGE IN FUND BALANCE			<u>\$ 617,343</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 4,264	5,061	6,749	1,688
Total Revenues	4,264	5,061	6,749	1,688
EXPENDITURES				
Current:				
Instruction	9,820	10,617	3,521	7,096
Total Expenditures	9,820	10,617	3,521	7,096
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(5,556)</i>	<i>(5,556)</i>	<i>3,228</i>	<i>8,784</i>
Other Financing Sources (Uses):				
Designated Cash	5,556	5,556	-	(5,556)
Total Other Financing Sources (Uses):	5,556	5,556	-	(5,556)
Net Changes in Fund Balances	-	-	3,228	3,228
Cash or Fund Balances - Beginning of Year	-	-	5,556	5,556
Cash or Fund Balances - End of Year	\$ -	-	8,784	8,784
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 3,228	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 3,228	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 93,000	93,000	39,601	(53,399)
Total Revenues	<u>93,000</u>	<u>93,000</u>	<u>39,601</u>	<u>(53,399)</u>
EXPENDITURES				
Current:				
Food Services Operations	93,000	93,000	36,007	56,993
Total Expenditures	<u>93,000</u>	<u>93,000</u>	<u>36,007</u>	<u>56,993</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	3,594	3,594
Net Changes in Fund Balances	-	-	3,594	3,594
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,594</u>	<u>3,594</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 3,594	
Adjustments to Revenues			(3,594)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 35,272	83,082	43,602	(39,480)
Total Revenues	<u>35,272</u>	<u>83,082</u>	<u>43,602</u>	<u>(39,480)</u>
EXPENDITURES				
Current:				
Instruction	35,272	78,098	64,667	13,431
Support Services:				
Students	-	4,984	4,983	1
Total Expenditures	<u>35,272</u>	<u>83,082</u>	<u>69,650</u>	<u>13,432</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(26,048)	(26,048)
Net Changes in Fund Balances	-	-	(26,048)	(26,048)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(26,048)</u>	<u>(26,048)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (26,048)	
Adjustments to Revenues			26,048	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 25,369	28,500	28,011	(489)
Total Revenues	<u>25,369</u>	<u>28,500</u>	<u>28,011</u>	<u>(489)</u>
EXPENDITURES				
Current:				
Instruction	25,369	28,500	28,500	-
Total Expenditures	<u>25,369</u>	<u>28,500</u>	<u>28,500</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(489)	(489)
Net Changes in Fund Balances	-	-	(489)	(489)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(489)</u>	<u>(489)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (489)	
Adjustments to Revenues			489	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title II 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 4,508	12,320	-	(12,320)
Total Revenues	<u>4,508</u>	<u>12,320</u>	<u>-</u>	<u>(12,320)</u>
EXPENDITURES				
Current:				
Instruction	3,808	9,970	6,187	3,783
Support Services:				
Students	700	2,350	2,269	81
Total expenditures	<u>4,508</u>	<u>12,320</u>	<u>8,456</u>	<u>3,864</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(8,456)	(8,456)
Net changes in Fund Balances	-	-	(8,456)	(8,456)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(8,456)</u>	<u>(8,456)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (8,456)	
Adjustments to Revenues			8,456	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 25152
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	2,600	2,790	190
Total Revenues	<u>-</u>	<u>2,600</u>	<u>2,790</u>	<u>190</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	4,299	1,807	2,492
Total Expenditures	<u>-</u>	<u>4,299</u>	<u>1,807</u>	<u>2,492</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(1,699)</u>	<u>983</u>	<u>2,682</u>
Other Financing Sources (Uses):				
Designated Cash	-	1,699	-	(1,699)
Total Other Financing Sources (Uses):	<u>-</u>	<u>1,699</u>	<u>-</u>	<u>(1,699)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>983</u>	<u>983</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,699</u>	<u>1,699</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,682</u>	<u>2,682</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 983	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 983</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Miscellaneous Income	\$ -	15,000	15,000	-
Total Revenues	-	15,000	15,000	-
EXPENDITURES				
Current:				
Instruction	-	9,333	8,210	1,123
Support Services:				
Students	-	4,581	217	4,364
Central Services	-	884	884	-
Food Services Operations	-	202	202	-
Total Expenditures	-	15,000	9,513	5,487
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>-</i>	<i>-</i>	<i>5,487</i>	<i>5,487</i>
Net Changes in Fund Balances	-	-	5,487	5,487
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	5,487	5,487
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 5,487	
Adjustments to Revenues			-	
Adjustments to Expenditures			(980)	
NET CHANGE IN FUND BALANCE			\$ 4,507	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
McCune Charitable Foundation 29114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	5,417	5,417
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>5,417</u>	<u>5,417</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	59,407	59,407	-
Total Revenues	<u>-</u>	<u>59,407</u>	<u>59,407</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	59,407	59,407	-
Total Expenditures	<u>-</u>	<u>59,407</u>	<u>59,407</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay - State 31400
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 48,450	123,451	86,081	(37,370)
Total Revenues	<u>48,450</u>	<u>123,451</u>	<u>86,081</u>	<u>(37,370)</u>
EXPENDITURES				
Capital Outlay	48,450	123,451	81,787	41,664
Total Expenditures	<u>48,450</u>	<u>123,451</u>	<u>81,787</u>	<u>41,664</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	4,294	4,294
Net Changes in Fund Balances	-	-	4,294	4,294
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,294</u>	<u>4,294</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 4,294	
Adjustments to Revenues			(4,294)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	-	47,500	47,500
Total Revenues	<u>-</u>	<u>-</u>	<u>47,500</u>	<u>47,500</u>
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i> <i>Over (Under) Expenditures</i>	-	-	47,500	47,500
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>47,500</u>	<u>47,500</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>47,500</u>	<u>47,500</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i> <i>Over (Under) Expenditures</i>			\$ 47,500	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 47,500</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
SunTrust Bank	GO ULTD TAX REF BOND	935341B63	5/1/2030	\$ 332,076
				<u>\$ 332,076</u>
Total Cash per Schedule of Cash Accounts:				\$ 913,574
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				663,574
Collateral Requirement:				331,787
Pledged Collateral Held by Pledging Financial Institution:				<u>332,076</u>
Balance Over Collateralized:				\$ <u>289</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				\$ <u>331,498</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>New Mexico Bank & Trust</u>
Checking - Operational Account	\$ 913,574
<i>Total on Deposit</i>	913,574
Reconciling Items	<u>(39,261)</u>
Reconciled Balance June 30, 2017	<u>874,313</u>
Less Agency Funds	<u>-</u>
<i>Total Cash</i>	<u><u>\$ 874,313</u></u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Technology Leadership High School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Federal Projects Account 24000
Cash, June 30, 2016	\$ 162,238	5,556	-	-
Add:				
2016-17 revenues	<u>1,816,233</u>	<u>6,749</u>	<u>39,601</u>	<u>71,613</u>
Total Cash Available	1,978,471	12,305	39,601	71,613
Less:				
2016-17 expenditures	(1,182,108)	(3,521)	(36,007)	(106,606)
Receivables/Payables	43,935	-	-	2,134
Outstanding Loans	<u>(105,624)</u>	<u>-</u>	<u>-</u>	<u>35,869</u>
Cash June 30, 2017	<u>734,674</u>	<u>8,784</u>	<u>3,594</u>	<u>3,010</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>75,186</u>	<u>-</u>	<u>(3,594)</u>	<u>(3,010)</u>
Cash Per Books	<u>809,860</u>	<u>8,784</u>	<u>-</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>44,908</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Modified Accrual Basis	<u>\$ 854,768</u>	<u>8,784</u>	<u>-</u>	<u>-</u>

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

Federal Direct Account 25000	Local or State 29000	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	Capital Improvements HB-33 31600	Total
1,699	-	-	-	-	169,493
<u>2,790</u>	<u>15,000</u>	<u>59,407</u>	<u>86,081</u>	<u>47,500</u>	<u>2,144,974</u>
4,489	15,000	59,407	86,081	47,500	2,314,467
(1,807)	(9,513)	(59,407)	(81,787)	-	(1,480,756)
-	-	-	-	-	46,069
-	-	-	69,755	-	-
<u>2,682</u>	<u>5,487</u>	<u>-</u>	<u>74,049</u>	<u>47,500</u>	<u>879,780</u>
-	-	-	(74,049)	-	(5,467)
<u>2,682</u>	<u>5,487</u>	<u>-</u>	<u>-</u>	<u>47,500</u>	<u>874,313</u>
-	4,437	-	-	-	49,345
<u>2,682</u>	<u>9,924</u>	<u>-</u>	<u>-</u>	<u>47,500</u>	<u>923,658</u>

TIERRA ADENTRO

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 385,741
Receivables	
Due from Other Governments	157,213
Prepaid Expenses	<u>27,626</u>
Total Current Assets	<u><u>570,580</u></u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	84,277
Less: Accumulated Depreciation	<u>(54,382)</u>
Total Noncurrent Assets	<u><u>29,895</u></u>

Total Assets	<u><u>600,475</u></u>
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Deferred Outflows - Pension Related	<u><u>926,270</u></u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	26,618
Accrued Liabilities	<u>152,759</u>
Total Current Liabilities	<u><u>179,377</u></u>

Noncurrent Liabilities:

Net Pension Liability	<u>3,637,797</u>
Total Noncurrent Liabilities	<u><u>3,637,797</u></u>

Total Liabilities	<u><u>3,817,174</u></u>
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Deferred Inflows - Pension Related	<u><u>34,600</u></u>
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NET POSITION (DEFICIT)

Investment in Capital Assets	29,895
Restricted	179,471
Unrestricted (Deficit)	<u>(2,534,395)</u>
Total Net Position (Deficit)	<u><u>\$ (2,325,029)</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,870,479	2,250	106,672	-	(1,761,557)
Support Services:					
Students	355,973	-	68,794	-	(287,179)
Instruction	30,629	-	3,642	-	(26,987)
General Administration	27,960	-	-	-	(27,960)
School Administration	382,562	-	-	-	(382,562)
Central Services	186,494	-	-	-	(186,494)
Operation & Maintenance of Plant	147,528	-	-	-	(147,528)
Food Services	88,570	22,400	62,133	-	(4,037)
Facilities Materials, Supplies & Other Services	281,129	-	-	299,304	18,175
Total Governmental Activities	\$ 3,371,324	24,650	241,241	299,304	(2,806,129)
General Revenues:					
Property Taxes					\$ 159,249
State Equalization Guarantee					2,529,857
Total General Revenues					2,689,106
Change in Net Position					(117,023)
Net Position (Deficit), Beginning					(2,208,006)
Net Position (Deficit), Ending					\$ (2,325,029)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 206,270	14,196	-	-
Accounts Receivable				
Due from Other Governments	-	-	-	13,572
Due from Other Funds	152,420	-	-	-
Prepaid Expenditures	27,626	-	-	-
Total Assets	<u>\$ 386,316</u>	<u>14,196</u>	<u>-</u>	<u>13,572</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 26,618	-	-	-
Accrued Expenditures	147,523	-	-	4,510
Due to Other Funds	-	-	-	9,062
Total Liabilities	<u>174,141</u>	<u>-</u>	<u>-</u>	<u>13,572</u>
Fund Balances (Deficit)				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	27,626	-	-	-
Restricted for:				
Instruction	-	14,196	-	-
Support Services	-	-	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	184,549	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balance (Deficit)	<u>212,175</u>	<u>14,196</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 386,316</u>	<u>14,196</u>	<u>-</u>	<u>13,572</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title XIX Medicaid 25152	Dual Credit Instructional Materials 27103	2012 GO Bond Student Library SB-66 27107	2010 GO Bond Instructional Materials 27171
-	-	5,902	-	-	-
26,367	3,802	-	-	3,642	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>26,367</u>	<u>3,802</u>	<u>5,902</u>	<u>-</u>	<u>3,642</u>	<u>-</u>
-	-	-	-	-	-
-	715	-	-	-	-
<u>26,367</u>	<u>3,087</u>	<u>-</u>	<u>-</u>	<u>3,642</u>	<u>443</u>
<u>26,367</u>	<u>3,802</u>	<u>-</u>	<u>-</u>	<u>3,642</u>	<u>443</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5,902	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(443)
-	-	5,902	-	-	(443)
<u>26,367</u>	<u>3,802</u>	<u>5,902</u>	<u>-</u>	<u>3,642</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Balance Sheets - Governmental Funds (Continued)
June 30, 2017

	Teachers Hard to Staff 27195	Private Direct Grants 29102	McCune Charitable Foundation 29114	Public School Capital Outlay 31200
ASSETS				
Cash and Cash Equivalents	\$ -	124	-	-
Accounts Receivable				
Due from Other Governments	4,886	-	-	-
Due from Other Funds	-	-	-	-
Prepaid Expenditures	-	-	-	-
Total Assets	\$ 4,886	124	-	-
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	-	-	-
Accrued Expenditures	11	-	-	-
Due to Other Funds	4,875	-	-	-
Total Liabilities	4,886	-	-	-
Fund Balances (Deficit)				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	-	124	-	-
Support Services	-	-	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balance (Deficit)	-	124	-	-
Total Liabilities and Fund Balances (Deficit)	\$ 4,886	124	-	-

The accompanying notes are an integral part of these financial statements

Special Capital Outlay State 31400	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
-	159,249	-	385,741
94,775	-	10,169	157,213
-	-	-	152,420
-	-	-	27,626
<u>94,775</u>	<u>159,249</u>	<u>10,169</u>	<u>723,000</u>
-	-	-	26,618
-	-	-	152,759
<u>94,775</u>	<u>-</u>	<u>10,169</u>	<u>152,420</u>
<u>94,775</u>	<u>-</u>	<u>10,169</u>	<u>331,797</u>
-	-	-	27,626
-	-	-	14,320
-	-	-	5,902
-	159,249	-	159,249
-	-	-	184,549
-	-	-	(443)
<u>-</u>	<u>159,249</u>	<u>-</u>	<u>391,203</u>
<u>94,775</u>	<u>159,249</u>	<u>10,169</u>	<u>723,000</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances (Deficit) - Total Governmental Funds **\$ 391,203**

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

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

Capital Assets	84,277	
Accumulated Depreciation	<u>(54,382)</u>	
		29,895

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		926,270
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(34,600)
--	--	----------

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(3,637,797)</u>
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Net Position (Deficit)-Total Governmental Activities		<u><u>\$ (2,325,029)</u></u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	10,338	-	-	-
State Grant	2,529,857	17,851	-	-
Federal Grant	-	-	62,133	54,244
Charges for Services	2,250	-	22,400	-
Total Revenues	2,542,445	17,851	84,533	54,244
EXPENDITURES				
Current:				
Instruction	1,525,597	26,976	-	54,244
Support Services:				
Students	260,173	-	-	-
Instruction	26,987	-	-	-
General Administration	27,960	-	-	-
School Administration	330,935	-	-	-
Central Services	186,494	-	-	-
Operation & Maintenance of Plant	143,189	-	-	-
Food Services Operations	3,884	-	84,686	-
Capital Outlay	-	-	-	-
Total Expenditures	2,505,219	26,976	84,686	54,244
Net Changes in Fund Balances	37,226	(9,125)	(153)	-
Fund Balances (Deficit) - Beginning of Year	174,949	23,321	153	-
Fund Balances (Deficit) - End of Year	\$ 212,175	14,196	-	-

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title XIX Medicaid 25152	Dual Credit Instructional Materials 27103	2012 GO Bond Student Library SB-66 27107	2010 GO Bond Instructional Materials 27171
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,016	3,642	-
53,794	3,802	898	-	-	-
-	-	-	-	-	-
<u>53,794</u>	<u>3,802</u>	<u>898</u>	<u>1,016</u>	<u>3,642</u>	<u>-</u>
-	3,802	-	1,016	-	-
53,794	-	-	-	-	-
-	-	-	-	3,642	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>53,794</u>	<u>3,802</u>	<u>-</u>	<u>1,016</u>	<u>3,642</u>	<u>-</u>
-	-	898	-	-	-
-	-	5,004	-	-	(443)
-	-	5,902	-	-	(443)

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - Continued
Governmental Funds
For The Year Ended June 30, 2017**

	Teachers Hard to Staff 27195	Private Direct Grants 29102	McCune Charitable Foundation 29114	Public School Capital Outlay 31200
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	15,000	-
State Grant	18,523	-	-	194,360
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	18,523	-	15,000	194,360
EXPENDITURES				
Current:				
Instruction	18,523	-	-	-
Support Services:				
Students	-	-	15,000	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	194,360
Total Expenditures	18,523	-	15,000	194,360
Net Changes in Fund Balances	-	-	-	-
Fund Balances (Deficit) - Beginning of Year	-	124	-	-
Fund Balances (Deficit) - End of Year	\$ -	124	-	-

The accompanying notes are an integral part of these financial statements

Special Capital Outlay State 31400	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
-	159,249	-	159,249
-	-	-	25,338
94,775	-	10,169	2,870,193
-	-	-	174,871
-	-	-	24,650
<u>94,775</u>	<u>159,249</u>	<u>10,169</u>	<u>3,254,301</u>
-	-	-	1,630,158
-	-	-	328,967
-	-	-	30,629
-	-	-	27,960
-	-	-	330,935
-	-	-	186,494
-	-	-	143,189
-	-	-	88,570
<u>94,775</u>	<u>-</u>	<u>10,169</u>	<u>299,304</u>
<u>94,775</u>	<u>-</u>	<u>10,169</u>	<u>3,066,206</u>
-	159,249	-	188,095
-	-	-	203,108
-	159,249	-	391,203

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 188,095**

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

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 capital outlay exceeds
depreciation for the period

Capital Outlays	22,719	
Depreciation Expense	(8,883)	
	13,836	13,836

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability		(318,954)
		(318,954)

Change in Net Position-Total Governmental Activities **\$ (117,023)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 90,282
Total Assets	<u>\$ 90,282</u>
LIABILITIES	
Deposits Held for Others	\$ 90,282
Total Liabilities	<u>\$ 90,282</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 77,372	44,802	(31,892)	90,282
Total Assets	<u>\$ 77,372</u>	<u>44,802</u>	<u>(31,892)</u>	<u>90,282</u>
LIABILITIES				
Deposits Held for Others	\$ 77,372	44,802	(31,892)	90,282
Total Liabilities	<u>\$ 77,372</u>	<u>44,802</u>	<u>(31,892)</u>	<u>90,282</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Tierra Adentro's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Tierra Adentro does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Tierra Adentro utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 5-10 years

Capital assets for Tierra Adentro are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 61,558	22,719	-	84,227
<i>Total</i>	<u>61,558</u>	<u>22,719</u>	<u>-</u>	<u>84,227</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(45,499)	(8,883)	-	(54,382)
<i>Total</i>	<u>(45,499)</u>	<u>(8,883)</u>	<u>-</u>	<u>(54,382)</u>
Capital Assets, Net	<u>\$ 16,059</u>	<u>13,836</u>	<u>-</u>	<u>29,895</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Operation & Maintenance of Plant	\$ 4,339
Facilities Materials, Supplies & Other Services	4,544
Total	<u>\$ 8,883</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

Tierra Adentro leases equipment and facilities under long-term cancelable operating leases. Rental expenses for the year ended June 30, 2017 was \$194,360. Tierra Adentro's minimum future payments on these leases are as follows:

Year Ending June 30:		
2018	\$	209,905

NOTE 4. RELATED PARTY TRANSACTIONS

The National Institute of Flamenco (NIF) subleases the property to Tierra Adentro. In addition to lease payments, Tierra Adentro pays NIF for marketing and other services. Total payments to NIF during fiscal year 2017 totaled \$269,360.

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Tierra Adentro and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Tierra Adentro paid employee and employer contributions of \$217,764 and \$201,712.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Tierra Adentro reported a liability of \$3,637,797 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016

Tierra Adentro’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Tierra Adentro’s proportion was 0.05055%, which was an increase of 0.00297% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Tierra Adentro recognized pension expense of \$536,753. At June 30, 2017, Tierra Adentro reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,782	\$ (34,600)
Changes in assumptions	74,052	-
Net difference between projected and actual earnings on pension plan investments	217,146	-
Changes in proportion and differences between Tierra Adentro’s contributions and proportionate share of contributions	401,526	-
Tierra Adentro’s contributions subsequent to the measurement date	<u>217,764</u>	<u>-</u>
Total	<u>\$ 926,270</u>	<u>\$ (34,600)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$217,764 reported as deferred outflows of resources related to pensions resulting from Tierra Adentro contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	255,933
2019		223,357
2020		141,662
2021		<u>52,954</u>
Total	\$	<u>673,906</u>

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The School’s proportionate share of the net pension liability	<u>\$ 4,818,178</u>	<u>\$ 3,637,797</u>	<u>\$ 2,658,415</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Tierra Adentro owed \$54,396 to ERB for fiscal year 2017 contributions.

NOTE 6. DEFICIT FUND BALANCE

The following fund had a deficit fund balance at June 30, 2017:

2010 GO Bond Instructional Materials - 27171	\$	443
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Tierra Adentro is addressing the negative fund balance and is planning on taking the appropriate actions to eliminate it.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Notes to the Financial Statements
June 30, 2017**

NOTE 7. BUDGETARY OVERAGES

Tierra Adentro has expended in excess of the budget in the following fund and function:

Fund 11000 Operational		
Non-instructional Services (Food Service)	\$	3,884

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	Fiscal Year	30-Jun		
		2017	2016	2015
	Measurement Date	2016	2015	2014
School's Proportion of the Net Pension Liability (Asset)		0.05055%	0.04758%	0.04021%
School's Proportionate Share of Net Pension Liability (Asset)	\$	3,638	3,082	2,294
School's Covered-Employee Payroll	\$	1,385	1,299	1,108
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	237.23%	207.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Tierra Adentro is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 182	202	218
Contributions in Relation to the Contractually Required Contribution	182	202	218
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Tierra Adentro is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	10,469	10,338	(131)
State Grant	2,630,740	2,529,857	2,529,857	-
Charges for services	-	2,250	2,250	-
Total Revenues	<u>2,630,740</u>	<u>2,542,576</u>	<u>2,542,445</u>	<u>(131)</u>
EXPENDITURES				
Current:				
Instruction	1,593,437	1,589,328	1,510,995	78,333
Support Services:				
Students	296,605	342,110	266,813	75,297
Instruction	30,000	29,055	24,722	4,333
General Administration	26,500	27,780	26,877	903
School Administration	504,036	355,459	330,810	24,649
Central Services	70,200	208,528	188,815	19,713
Operation & Maintenance of Plant	209,962	170,488	142,336	28,152
Food Services Operations	-	-	3,884	(3,884)
Total Expenditures	<u>2,730,740</u>	<u>2,722,748</u>	<u>2,495,252</u>	<u>227,496</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(100,000)</u>	<u>(180,172)</u>	<u>47,193</u>	<u>227,365</u>
Other Financing Sources (Uses):				
Designated Cash	100,000	180,172	-	(180,172)
Total Other Financing Sources (Uses):	<u>100,000</u>	<u>180,172</u>	<u>-</u>	<u>(180,172)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>47,193</u>	<u>47,193</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>174,949</u>	<u>174,949</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>222,142</u>	<u>222,142</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 47,193	
Adjustments to Revenues			-	
Adjustments to Expenditures			(9,967)	
NET CHANGE IN FUND BALANCE			<u>\$ 37,226</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 14,921	13,432	17,851	4,419
Total Revenues	<u>14,921</u>	<u>13,432</u>	<u>17,851</u>	<u>4,419</u>
EXPENDITURES				
Current:				
Instruction	38,254	36,765	26,976	9,789
Total Expenditures	<u>38,254</u>	<u>36,765</u>	<u>26,976</u>	<u>9,789</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(23,333)</u>	<u>(23,333)</u>	<u>(9,125)</u>	<u>14,208</u>
Other Financing Sources (Uses):				
Designated Cash	23,321	23,321	-	(23,321)
Total Other Financing Sources (Uses):	<u>23,321</u>	<u>23,321</u>	<u>-</u>	<u>(23,321)</u>
Net Changes in Fund Balances	<u>(12)</u>	<u>(12)</u>	<u>(9,125)</u>	<u>(9,113)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>23,321</u>	<u>23,321</u>
Cash or Fund Balances - End of Year	<u>\$ (12)</u>	<u>(12)</u>	<u>14,196</u>	<u>14,208</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (9,125)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (9,125)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 85,000	85,000	62,133	(22,867)
Charges for Services	21,000	24,077	22,400	(1,677)
Total Revenues	<u>106,000</u>	<u>109,077</u>	<u>84,533</u>	<u>(24,544)</u>
EXPENDITURES				
Current:				
Food Services Operations	106,000	109,230	84,686	24,544
Total Expenditures	<u>106,000</u>	<u>109,230</u>	<u>84,686</u>	<u>24,544</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(153)</u>	<u>(153)</u>	<u>-</u>
Other Financing Sources (Uses):				
Designated Cash	-	153	-	(153)
Total Other Financing Sources (Uses):	<u>-</u>	<u>153</u>	<u>-</u>	<u>(153)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(153)</u>	<u>(153)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>153</u>	<u>153</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (153)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (153)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 76,865	81,464	40,672	(40,792)
Total Revenues	<u>76,865</u>	<u>81,464</u>	<u>40,672</u>	<u>(40,792)</u>
EXPENDITURES				
Current:				
Instruction	76,865	81,464	54,244	27,220
Total Expenditures	<u>76,865</u>	<u>81,464</u>	<u>54,244</u>	<u>27,220</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(13,572)</u>	<u>(13,572)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(13,572)</u>	<u>(13,572)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(13,572)</u>	<u>(13,572)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (13,572)	
Adjustments to Revenues			13,572	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 41,042	54,224	27,427	(26,797)
Total Revenues	<u>41,042</u>	<u>54,224</u>	<u>27,427</u>	<u>(26,797)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	41,042	54,224	53,794	430
Total Expenditures	<u>41,042</u>	<u>54,224</u>	<u>53,794</u>	<u>430</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(26,367)</u>	<u>(26,367)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(26,367)</u>	<u>(26,367)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(26,367)</u>	<u>(26,367)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (26,367)	
Adjustments to Revenues			26,367	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	21,781	-	(21,781)
Total Revenues	<u>-</u>	<u>21,781</u>	<u>-</u>	<u>(21,781)</u>
EXPENDITURES				
Current:				
Instruction	-	21,781	3,802	17,979
Total expenditures	<u>-</u>	<u>21,781</u>	<u>3,802</u>	<u>17,979</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,802)</u>	<u>(3,802)</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,802)</u>	<u>(3,802)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,802)</u>	<u>(3,802)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,802)	
Adjustments to Revenues			3,802	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 25152
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	-	898	898
Total Revenues	-	-	898	898
EXPENDITURES				
Current:				
Support Services:				
Students	-	5,004	-	5,004
Total Expenditures	-	5,004	-	5,004
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(5,004)	898	5,902
Other Financing Sources (Uses):				
Designated Cash	-	5,004	-	(5,004)
Total Other Financing Sources (Uses):	-	5,004	-	(5,004)
Net Changes in Fund Balances	-	-	898	898
Cash or Fund Balances - Beginning of Year	-	-	5,004	5,004
Cash or Fund Balances - End of Year	\$ -	-	5,902	5,902
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 898	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 898	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	1,269	1,016	(253)
Total Revenues	<u>-</u>	<u>1,269</u>	<u>1,016</u>	<u>(253)</u>
EXPENDITURES				
Current:				
Instruction	-	1,269	1,016	253
Total Expenditures	<u>-</u>	<u>1,269</u>	<u>1,016</u>	<u>253</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
2012 GO Bond Student Library SB-66 27107
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 3,642	3,642	-	(3,642)
Total Revenues	<u>3,642</u>	<u>3,642</u>	<u>-</u>	<u>(3,642)</u>
EXPENDITURES				
Support Services:				
Instruction	3,642	3,642	3,642	-
Total Expenditures	<u>3,642</u>	<u>3,642</u>	<u>3,642</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(3,642)	(3,642)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,642)</u>	<u>(3,642)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,642)</u>	<u>(3,642)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,642)	
Adjustments to Revenues			3,642	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
GOB Instructional Materials 27171
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	-	-	(443)	(443)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(443)</u>	<u>(443)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Teachers Hard to Staff 27195
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	24,300	13,637	(10,663)
Total Revenues	<u>-</u>	<u>24,300</u>	<u>13,637</u>	<u>(10,663)</u>
EXPENDITURES				
Current:				
Instruction	-	24,300	18,523	5,777
Total Expenditures	<u>-</u>	<u>24,300</u>	<u>18,523</u>	<u>5,777</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,886)</u>	<u>(4,886)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,886)</u>	<u>(4,886)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(4,886)</u>	<u>(4,886)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (4,886)	
Adjustments to Revenues			4,886	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>124</u>	<u>124</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>124</u>	<u>124</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
McCune Charitable Foundation 29114
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Local & County Grant	\$ -	15,000	15,000	-
Total Revenues	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	15,000	15,000	-
Total Expenditures	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	194,360	194,360	-
Total Revenues	<u>-</u>	<u>194,360</u>	<u>194,360</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	-	194,360	194,360	-
Total Expenditures	<u>-</u>	<u>194,360</u>	<u>194,360</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay State 31400
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	96,000	-	(96,000)
Total Revenues	<u>-</u>	<u>96,000</u>	<u>-</u>	<u>(96,000)</u>
EXPENDITURES				
Capital Outlay	-	96,000	94,775	1,225
Total Expenditures	<u>-</u>	<u>96,000</u>	<u>94,775</u>	<u>1,225</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(94,775)</u>	<u>(94,775)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(94,775)</u>	<u>(94,775)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(94,775)</u>	<u>(94,775)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (94,775)	
Adjustments to Revenues			94,775	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Property Taxes	\$ 164,553	164,553	159,249	(5,304)
Total Revenues	<u>164,553</u>	<u>164,553</u>	<u>159,249</u>	<u>(5,304)</u>
EXPENDITURES				
Capital Outlay	164,553	164,553	-	164,553
Total Expenditures	<u>164,553</u>	<u>164,553</u>	<u>-</u>	<u>164,553</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	159,249	159,249
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>159,249</u>	<u>159,249</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>159,249</u>	<u>159,249</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 159,249	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 159,249</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	23,627	-	(23,627)
Total Revenues	<u>-</u>	<u>23,627</u>	<u>-</u>	<u>(23,627)</u>
EXPENDITURES				
Capital Outlay	-	23,627	10,169	13,458
Total Expenditures	<u>-</u>	<u>23,627</u>	<u>10,169</u>	<u>13,458</u>
<i>Excess (Deficiency) of Revenues</i> <i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(10,169)</u>	<u>(10,169)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(10,169)</u>	<u>(10,169)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(10,169)</u>	<u>(10,169)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i> <i>Over (Under) Expenditures</i>			\$ (10,169)	
Adjustments to Revenues			10,169	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Wells Fargo	FNMA FNMS	3138EGC77	04/01/26	\$ 16,377
Wells Fargo	FNMA FNMS	3138WTRV0	06/01/43	11,216
Wells Fargo	FNMA FNMS	31418ADH8	02/01/42	126,275
				<u>\$ 153,868</u>
Total Cash in Bank per Schedule of Cash Accounts:				\$ 480,489
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				230,489
Collateral Requirement:				115,245
Pledged Collateral Held by Pledging Financial Institution:				<u>153,868</u>
Balance Over Collateralized:				<u>\$ 38,623</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 76,621</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 390,207
Checking - Activity Account	90,282
<i>Total on Deposit</i>	480,489
Reconciling Items	(4,466)
Reconciled Balance June 30, 2017	476,023
Less Agency Funds	(90,282)
<i>Total Cash</i>	\$ 385,741

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000
Cash, June 30, 2016	\$ 131,670	23,321	153	77,372
Add:				
2016-17 revenues	2,542,445	17,851	84,533	44,802
Total Cash Available	2,674,115	41,172	84,686	122,174
Less:				
2016-17 expenditures	(2,495,252)	(26,976)	(84,686)	(31,892)
Receivables/Payables	147,523	-	-	-
Outstanding Loans	(152,420)	-	-	-
Cash June 30, 2017	173,966	14,196	-	90,282
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	32,304	-	-	-
Cash Per Books	206,270	14,196	-	90,282
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	5,905	-	-	(90,282)
Fund Balance (Deficit), Modified Accrual Basis	\$ 212,175	14,196	-	-

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	Federal Direct Account 25000	State Account 27000	Local or State Fund 29000	Public School Capital Outlay 31200	Special Capital Outlay State 31400
-	5,004	14	124	-	-
68,099	898	14,653	15,000	194,360	-
68,099	5,902	14,667	15,124	194,360	-
(111,840)	-	(23,181)	(15,000)	(194,360)	(94,775)
5,225	-	11	-	-	-
38,516	-	8,960	-	-	94,775
-	5,902	457	124	-	-
-	-	(457)	-	-	-
-	5,902	-	124	-	-
-	-	(443)	-	-	-
-	5,902	(443)	124	-	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Cash Reconciliation - (Continued)
June 30, 2017**

	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
Cash, June 30, 2016	\$ -	-	237,658
Add:			
2016-17 revenues	<u>159,249</u>	<u>-</u>	<u>3,141,890</u>
Total Cash Available	159,249	-	3,379,548
Less:			
2016-17 expenditures	-	(10,169)	(3,088,131)
Receivables/Payables	-	-	152,759
Outstanding Loans	<u>-</u>	<u>10,169</u>	<u>-</u>
Cash June 30, 2017	<u>159,249</u>	<u>-</u>	<u>444,176</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	<u>-</u>	<u>-</u>	<u>31,847</u>
Cash Per Books	<u>159,249</u>	<u>-</u>	<u>476,023</u>
		Less: Activity Funds:	<u>(90,282)</u>
			<u><u>\$ 385,741</u></u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>-</u>	<u>-</u>	<u>(84,820)</u>
Fund Balance (Deficit), Modified Accrual Basis	<u><u>\$ 159,249</u></u>	<u><u>-</u></u>	<u><u>391,203</u></u>

The accompanying notes are an integral part of these financial statements

TIERRA ENCANTADA CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current assets:

Cash and Cash Equivalents	\$ 1,054,838
Receivables	
Due from Other Governments	<u>108,932</u>
Total current assets	<u>1,163,770</u>

Noncurrent assets:

Capital Assets	
Buildings and Improvements	18,969
Furniture, Fixtures, and Equipment	306,894
Less: Accumulated Depreciation	<u>(191,504)</u>
Total Capital Assets	<u>134,359</u>
Total Assets	<u>1,298,129</u>

Deferred Outflows - Pension Related	<u>951,722</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	35,844
Accrued Liabilities	<u>38,438</u>
Total Current Liabilities	<u>74,282</u>

Noncurrent Liabilities:

Net Pension Liability	<u>4,190,483</u>
Total Noncurrent Liabilities	<u>4,190,483</u>
Total Liabilities	<u>4,264,765</u>

Deferred Inflows - Pension Related	<u>55,304</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	134,359
Restricted	927,417
Unrestricted (Deficit)	<u>(3,131,994)</u>
Total Net Position (Deficit)	<u>\$ (2,070,218)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,537,573	-	208,375	-	(1,329,198)
Support Services:					
Students	541,583	-	-	-	(541,583)
Instruction	3,725	-	-	-	(3,725)
General Administration	211,181	-	-	-	(211,181)
School Administration	132,874	-	-	-	(132,874)
Central Services	291,035	-	-	-	(291,035)
Operation & Maintenance of Plant	349,268	-	-	-	(349,268)
Other Support Services	5,387	-	-	-	(5,387)
Student Transportation	52,241	-	44,101	-	(8,140)
Food Services	135,683	47,509	-	-	(88,174)
Facilities Materials, Supplies & Other Services	485,281	-	-	415,490	(69,791)
Total Governmental Activities	\$ 3,745,831	47,509	252,476	415,490	(3,030,356)
General Revenues:					
Property Taxes					450,571
State Equalization Guarantee					2,518,504
Miscellaneous					3,240
Total General Revenues					2,972,315
Change in Net Position					(58,041)
Net Position (Deficit), Beginning of Year					(2,012,177)
Net Position (Deficit), Ending					\$ (2,070,218)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
ASSETS				
Cash and Cash Equivalents	\$ 120,274	697	45,852	36,145
Accounts receivable				
Due from Government	-	-	-	-
Due from Other Funds	117,773	-	-	-
Total Assets	\$ 238,047	697	45,852	36,145
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts payable	\$ 27,796	-	-	-
Accrued Expenditures	36,500	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	64,296	-	-	-
<i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Restricted for:				
Instruction	-	-	45,852	-
Food Service Operations	-	-	-	36,145
Student Transportation	-	697	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	173,751	-	-	-
Unassigned	-	-	-	-
Total Fund Balance (Deficit)	173,751	697	45,852	36,145
Total Liabilities and Fund Balance (Deficit)	\$ 238,047	697	45,852	36,145

IDEA-B Entitlement 24106	Charter Schools 24146	Dual Credits Instructional Materials 27103	GO Bonds Student Library 27107	Public Schools Capital Outlay 31200	HB-33 Capital Improvements 31600
-	-	-	-	-	306,447
37,933	70,999	-	-	-	-
-	-	-	-	-	-
<u>37,933</u>	<u>70,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>306,447</u>
-	-	-	-	-	-
19	1,919	-	-	-	-
<u>37,914</u>	<u>68,179</u>	<u>1,383</u>	<u>10,297</u>	<u>-</u>	<u>-</u>
<u>37,933</u>	<u>70,098</u>	<u>1,383</u>	<u>10,297</u>	<u>-</u>	<u>-</u>
-	901	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	306,447
-	-	-	-	-	-
-	-	(1,383)	(10,297)	-	-
-	<u>901</u>	<u>(1,383)</u>	<u>(10,297)</u>	<u>-</u>	<u>306,447</u>
<u>37,933</u>	<u>70,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>306,447</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Balance Sheets - Governmental Funds
June 30, 2017

	SB-9 Capital Improvements 31700	SB-9 Ad Valorem 31701	Education Technology Equipment Act 31900	Total
ASSETS				
Cash and Cash Equivalents	423,954	78,802	42,667	1,054,838
Accounts receivable				-
Due from Government	-	-	-	108,932
Due from Other Funds	-	-	-	117,773
Total Assets	423,954	78,802	42,667	1,281,543
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts payable	-	8,048	-	35,844
Accrued Expenditures	-	-	-	38,438
Due to Other Funds	-	-	-	117,773
Total Liabilities	-	8,048	-	192,055
<i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Restricted for:				
Instruction	-	-	-	46,753
Food Service Operations	-	-	-	36,145
Student Transportation	-	-	-	697
Capital Improvements	423,954	70,754	42,667	843,822
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	173,751
Unassigned	-	-	-	(11,680)
Total Fund Balance (Deficit)	423,954	70,754	42,667	1,089,488
Total Liabilities and Fund Balance (Deficit)	423,954	78,802	42,667	1,281,543

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds		\$ 1,089,488
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital Assets	325,863	
Accumulated Depreciation	<u>(191,504)</u>	
		134,359
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		
		951,722
Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		
Net Pension Liability		(4,190,483)
Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		
		<u>(55,304)</u>
Net Position (Deficit) - Total Governmental Activities		<u>\$ (2,070,218)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Pupil Transportion 13000	Instructional Materials 14000	Food Services 21000
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	48,853	-	-	-
State Grant	2,518,504	44,101	18,160	-
Federal Grant	39,002	-	-	-
Charges for Services	254	-	-	47,255
Miscellaneous Income	-	-	-	-
Total Revenues	2,606,613	44,101	18,160	47,255
EXPENDITURES				
Current:				
Instruction	1,349,762	-	2,034	-
Support Services:				
Students	415,105	-	-	-
Instruction	-	-	-	-
General Administration	194,030	-	-	-
School Administration	115,199	-	-	-
Central Services	263,092	-	-	-
Operation & Maintenance of Plant	337,315	-	-	-
Student Transportation	8,837	43,404	-	-
Food Services Operations	87,942	-	-	47,741
Capital Outlay	-	-	-	-
Total Expenditures	2,771,282	43,404	2,034	47,741
Net Changes in Fund Balances	(164,669)	697	16,126	(486)
Fund Balances (Deficit) - Beginning of Year	338,420	-	29,726	36,631
Fund Balances (Deficit) - End of Year	\$ 173,751	697	45,852	36,145

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	Dual Credit Instructional Materials/HB2 27103	2012 Student Library SB-66 27107	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600
-	-	-	-	-	161,871
-	-	-	-	-	-
-	-	-	(6,572)	203,508	-
37,933	70,999	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>37,933</u>	<u>70,999</u>	<u>-</u>	<u>(6,572)</u>	<u>203,508</u>	<u>161,871</u>
15,758	646	1,383	-	-	-
22,175	69,452	-	-	-	-
-	-	-	3,725	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	203,508	-
<u>37,933</u>	<u>70,098</u>	<u>1,383</u>	<u>3,725</u>	<u>203,508</u>	<u>-</u>
-	901	(1,383)	(10,297)	-	161,871
-	-	-	-	-	144,576
-	901	(1,383)	(10,297)	-	306,447

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	SB-9 Capital Improvements 31700	SB-9 Ad Valorem 31701	Education Technology Equipment Act 31900	Total
REVENUES				
Property Taxes	\$ 71,130	217,570	-	450,571
Local & County Grant	-	-	-	48,853
State Grant	-	-	211,982	2,989,683
Federal Grant	-	-	-	147,934
Charges for Services	-	-	-	47,509
Miscellaneous Income	-	3,240	-	3,240
Total Revenues	<u>71,130</u>	<u>220,810</u>	<u>211,982</u>	<u>3,687,790</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	1,369,583
Support Services:				
Students	-	-	-	506,732
Instruction	-	-	-	3,725
General Administration	-	-	-	194,030
School Administration	-	-	-	115,199
Central Services	-	-	-	263,092
Operation & Maintenance of Plant	-	-	-	337,315
Student Transportation	-	-	-	52,241
Food Services Operations	-	-	-	135,683
Capital Outlay	-	150,056	169,315	522,879
Total Expenditures	<u>-</u>	<u>150,056</u>	<u>169,315</u>	<u>3,500,479</u>
Net Changes in Fund Balances	<u>71,130</u>	<u>70,754</u>	<u>42,667</u>	<u>187,311</u>
Fund Balances (Deficit) - Beginning of Year	<u>352,824</u>	<u>-</u>	<u>-</u>	<u>902,177</u>
Fund Balances (Deficit) - End of Year	<u>\$ 423,954</u>	<u>70,754</u>	<u>42,667</u>	<u>1,089,488</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balance-Total Governmental Funds \$ 187,311

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

Capital outlays to purchase or build capital assets are reported in

Capital Outlays	68,322	
Depreciation Expense	<u>(30,724)</u>	
		37,598

Changes in Deferred Outflows of Resources-Pension Related, Deferred Inflows of Resources-Pension Related, and the Net Pension Liability		<u>(282,950)</u>
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Change in Net Position-Total Governmental Activities \$ (58,041)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 17,620</u>
Total Assets	<u><u>\$ 17,620</u></u>
LIABILITIES	
Deposits Held for Others	<u>17,620</u>
Total Liabilities	<u><u>\$ 17,620</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 16,836	44,821	(44,037)	17,620
Total Assets	<u>\$ 16,836</u>	<u>44,821</u>	<u>(44,037)</u>	<u>17,620</u>
LIABILITIES				
Accounts Payable	\$ 114	-	(114)	-
Deposits Held for Others	16,722	44,821	(43,923)	17,620
Total Liabilities	<u>\$ 16,836</u>	<u>44,821</u>	<u>(44,037)</u>	<u>17,620</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Tierra Encantada Charter School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Tierra Encantada Charter School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Tierra Encantada Charter School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for Tierra Encantada Charter School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

Buildings and building improvements	\$ 18,969	-	-	18,969
Furniture, Fixtures and Equipment	238,572	68,322	-	306,894
<i>Total</i>	<u>257,541</u>	<u>68,322</u>	<u>-</u>	<u>325,863</u>
<i>Less: Accumulated Depreciation</i>				
Buildings and building improvements	(9,356)	(948)	-	(10,304)
Furniture, fixtures and equipment	(151,424)	(29,776)	-	(181,200)
<i>Total</i>	<u>(160,780)</u>	<u>(30,724)</u>	<u>-</u>	<u>(191,504)</u>
Capital Assets, Net	<u>\$ 96,761</u>	<u>37,598</u>	<u>-</u>	<u>134,359</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expensed for the year ended June 30, 2017 was expensed to the following functions:

Capital Outlay	\$ 30,724
Total	<u>\$ 30,724</u>

NOTE 3. COMMITMENTS AND LIABILITIES

Tierra Encantada Charter School leased equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$251,358. Tierra Encantada Charter School's minimum future payments on this lease are as follows:

Year Ending June 30:	
2018	\$ 223,008
2019	223,608
2020	224,208
2021	224,808
2022	225,408
Total	<u>\$ 1,121,040</u>

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Tierra Encantada and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Tierra Encantada paid employee and employer contributions of \$247,113 and \$231,167.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Tierra Encantada reported a liability of \$4,190,483 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Tierra Encantada's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Tierra Encantada's proportion was 0.05823% percent, which was an increase of 0.00654% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Tierra Encantada recognized pension expense of \$531,223. As of June 30, 2017, Tierra Encantada reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,180	(39,856)
Changes in assumptions	85,301	-
Net difference between projected and actual earnings on pension plan investments	250,137	-
Changes in proportion and differences between Tierra Encantada's contributions and proportionate share of contributions	350,991	(15,448)
Tierra Encantada's contributions subsequent to the measurement date	247,113	-
Total	<u>\$ 951,722</u>	<u>(55,304)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$247,113 reported as deferred outflows of resources related to pensions resulting from Tierra Encantada’s contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	207,181
2019		177,148
2020		203,975
2021		61,001
Total		<u>649,305</u>

Sensitivity of Tierra Encantada’s proportionate share of the net pension liability to changes in the discount rate. The following presents Tierra Encantada’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what Tierra Encantada’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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Tierra Encantada’s proportionate share of the net pension liability	\$ <u>5,550,198</u>	<u>4,190,483</u>	<u>3,062,304</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. For the year ending June 30, 2017, Tierra Encantada Charter School’s accrued liability due to ERB was \$0.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.06%	0.05%	0.05%
School's Proportionate Share of Net Pension Liability (Asset)	\$	4,190	3,348	2,978
School's Covered-Employee Payroll	\$	1,777	1,411	1,439
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		235.80%	237.23%	207.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Tierra Encantada Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Statutory required contributions	\$ 233	231	247
Contributions in Relation to the Contractually Required Contribution	204	231	247
Annual contribution deficiency (excess)	\$ 29	-	-

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Tierra Encantada Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Local & County Grant	\$ -	-	268,379	268,379
State Grant	2,838,238	2,518,504	2,518,504	-
Federal Grant	-	-	39,002	39,002
Charges for Services	-	-	254	254
Total Revenues	<u>2,838,238</u>	<u>2,518,504</u>	<u>2,826,139</u>	<u>307,635</u>
EXPENDITURES				
Current:				
Instruction	1,430,757	1,367,484	1,349,762	17,722
Support Services:				
Students	404,610	471,140	391,569	79,571
General Administration	202,855	203,955	198,919	5,036
School Administration	132,989	116,789	115,199	1,590
Central Services	239,961	266,309	263,092	3,217
Operation & Maintenance of Plant	411,174	349,156	335,635	13,521
Student Transportation	-	-	8,837	(8,837)
Other Support Services Operations	72,613	13,468	-	13,468
Food Services Operations	122,913	122,913	87,942	34,971
Total Expenditures	<u>3,017,872</u>	<u>2,911,214</u>	<u>2,750,955</u>	<u>160,259</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(179,634)</u>	<u>(392,710)</u>	<u>75,184</u>	<u>467,894</u>
Other Financing Sources (Uses):				
Designated Cash	179,634	392,710	-	(392,710)
Total Other Financing Sources (Uses):	<u>179,634</u>	<u>392,710</u>	<u>-</u>	<u>(392,710)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>75,184</u>	<u>75,184</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>338,420</u>	<u>338,420</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>173,751</u>	<u>413,604</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 75,184	
Adjustments to Revenues			(219,526)	
Adjustments to Expenditures			(20,327)	
NET CHANGE IN FUND BALANCE			<u>\$ (164,669)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	43,404	43,404	-
Total Revenues	-	43,404	43,404	-
EXPENDITURES				
Current:				
Student Transportation	-	43,404	43,404	-
Total Expenditures	-	43,404	43,404	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			697	
NET CHANGE IN FUND BALANCE			\$ 697	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 16,081	13,664	18,160	4,496
Total Revenues	16,081	13,664	18,160	4,496
EXPENDITURES				
Current:				
Instruction	26,024	43,390	2,294	41,096
Total Expenditures	26,024	43,390	2,294	41,096
Other Financing Sources (Uses):				
Designated Cash	14,323	14,323	-	(14,323)
Total Other Financing Sources (Uses):	14,323	14,323	-	(14,323)
Net Changes in Fund Balances	4,380	(15,403)	15,866	31,269
Cash or Fund Balances - Beginning of Year	-	-	29,986	29,986
Cash or Fund Balances - End of Year	\$ 4,380	(15,403)	45,852	61,255
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			15,866	
Adjustments to Expenditures			260	
NET CHANGE IN FUND BALANCE			\$ 16,126	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Charges for Services	\$ 14,779	\$ -	\$ 34,705	\$ 34,705
Total Revenues	<u>14,779</u>	<u>-</u>	<u>34,705</u>	<u>34,705</u>
EXPENDITURES				
Current:				
Food Services Operations	41,411	49,181	47,741	1,440
Total Expenditures	<u>41,411</u>	<u>49,181</u>	<u>47,741</u>	<u>1,440</u>
Net Changes in Fund Balances	<u>(26,632)</u>	<u>(49,181)</u>	<u>(13,036)</u>	<u>36,145</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>49,181</u>	<u>49,181</u>
Cash or Fund Balances - End of Year	<u>\$ (26,632)</u>	<u>(49,181)</u>	<u>36,145</u>	<u>85,326</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (13,036)	
Adjustments to Revenues			<u>12,550</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (486)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Federal Grant	\$ -	63,123	-	(63,123)
Total Revenues	<u>-</u>	<u>63,123</u>	<u>-</u>	<u>(63,123)</u>
EXPENDITURES				
Current:				
Instruction	-	36,571	15,758	20,813
Support Services:				
Students	-	21,967	22,175	(208)
Total Expenditures	<u>-</u>	<u>63,123</u>	<u>37,933</u>	<u>25,190</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(37,933)</u>	<u>(37,933)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(37,933)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (37,933)	
Adjustments to Revenues			37,933	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	(Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	70,290	-	(70,290)
Charges for Services	-	-	-	-
Total Revenues	<u>-</u>	<u>70,290</u>	<u>26,895</u>	<u>(43,395)</u>
EXPENDITURES				
Current:				
Instruction	-	647	646	1
Support Services:				
Students	-	69,643	69,452	191
Total Expenditures	<u>-</u>	<u>70,290</u>	<u>70,098</u>	<u>192</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(43,203)</u>	<u>(43,203)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>901</u>	<u>(43,203)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (43,203)	
Adjustments to Revenues			44,104	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 901</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials/HB2 27103
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	1,649	-	(1,649)
Total Revenues	-	1,649	-	(1,649)
EXPENDITURES				
Current:				
Instruction	-	1,649	1,383	266
Total Expenditures	-	1,649	1,383	266
Net Changes in Fund Balances	-	-	(1,383)	(1,383)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(1,383)	(1,383)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (1,383)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (1,383)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
2012 Student Library SB-66 27107
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ 3,725	3,725	-	(3,725)
Total Revenues	<u>3,725</u>	<u>3,725</u>	<u>-</u>	<u>(3,725)</u>
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	3,725	3,725	3,725	-
Total Expenditures	<u>3,725</u>	<u>3,725</u>	<u>3,725</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,725)</u>	<u>(3,725)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(10,297)</u>	<u>(3,725)</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (3,725)	
Adjustments to Revenues			(6,572)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (10,297)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Local & County Grant	\$ -	-	-	-
State Grant	-	203,508	203,508	-
Total Revenues	-	203,508	203,508	-
EXPENDITURES				
Capital Outlay	-	203,508	203,508	-
Total Expenditures	-	203,508	203,508	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Property Taxes	\$ 153,988	153,988	161,871	7,883
Total Revenues	<u>153,988</u>	<u>153,988</u>	<u>161,871</u>	<u>7,883</u>
EXPENDITURES				
Current:				
Capital Outlay	307,976	298,564	-	298,564
Total Expenditures	<u>307,976</u>	<u>298,564</u>	<u>-</u>	<u>298,564</u>
Net Changes in Fund Balances	<u>(153,988)</u>	<u>(144,576)</u>	<u>161,871</u>	<u>306,447</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>144,576</u>	<u>144,576</u>
Cash or Fund Balances - End of Year	<u>\$ (153,988)</u>	<u>(144,576)</u>	<u>306,447</u>	<u>451,023</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 161,871	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 161,871</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
REVENUES				
Property Taxes	\$ -	-	-	-
State Grant	30,105	30,105	-	(30,105)
Total Revenues	<u>30,105</u>	<u>30,105</u>	<u>-</u>	<u>(30,105)</u>
EXPENDITURES				
Capital Outlay	30,105	30,105	-	30,105
Total Expenditures	<u>30,105</u>	<u>30,105</u>	<u>-</u>	<u>30,105</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Designated Cash	423,954	423,954	-	(423,954)
Total Other Financing Sources (Uses):	<u>423,954</u>	<u>423,954</u>	<u>-</u>	<u>(423,954)</u>
Net Changes in Fund Balances	<u>423,954</u>	<u>423,954</u>	<u>-</u>	<u>(423,954)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>423,954</u>	<u>423,954</u>
Cash or Fund Balances - End of Year	<u>\$ 423,954</u>	<u>423,954</u>	<u>423,954</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			71,130	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 71,130</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Ad Valorem 31701
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Property Taxes	\$ 219,880	219,880	217,570	(2,310)
Miscellaneous	-	-	3,240	3,240
Total Revenues	<u>219,880</u>	<u>219,880</u>	<u>220,810</u>	<u>930</u>
EXPENDITURES				
Current:				
Capital Outlay	599,624	606,736	142,008	464,728
Total Expenditures	<u>599,624</u>	<u>606,736</u>	<u>142,008</u>	<u>464,728</u>
Net Changes in Fund Balances	<u>(379,744)</u>	<u>(386,856)</u>	<u>78,802</u>	<u>465,658</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (379,744)</u>	<u>(386,856)</u>	<u>78,802</u>	<u>465,658</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 78,802	
Adjustments to revenues			-	
Adjustments to expenditures			(8,048)	
NET CHANGE IN FUND BALANCE			<u>\$ 70,754</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Education Technology Equipment Act 31900
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
State Grant	\$ -	211,982	211,982	-
Total Revenues	-	211,982	211,982	-
EXPENDITURES				
Current:				
Capital Outlay	-	211,982	169,315	42,667
Total Expenditures	-	211,982	169,315	42,667
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	42,667	42,667
Net Changes in Fund Balances	-	-	42,667	42,667
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	42,667	42,667
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 42,667	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 42,667	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
NM Bank & Trust	GO Bonds	15987EFB5	5/1/2029	\$ 370,000
				<u>\$ 370,000</u>
Total Cash per Schedule of Cash Accounts:				\$ 1,118,457
Less: FDIC coverage:				<u>(430,744)</u>
Uninsured Public Funds:				687,713
Collateral Requirement:				343,857
Pledged Collateral Held by Pledging Financial Institution:				<u>370,000</u>
Balance Over Collateralized:				<u>\$ 26,143</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 317,713</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	New Mexico Bank & Trust
Checking - Operational Account	\$ 937,713
Money Market - Operational Account	<u>180,744</u>
<i>Total on Deposit</i>	1,118,457
Reconciling Items	<u>(45,999)</u>
Reconciled Balance June 30, 2015	<u>1,072,458</u>
Less Agency Funds	<u>(17,620)</u>
<i>Total Cash</i>	<u><u>\$ 1,054,838</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Cash Reconciliation
June 30, 2017

	Operational 11000	Transportation Fund 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ 41,579	697	29,986	49,181
Add:				
2016-17 revenues	2,826,139	43,404	20,577	34,706
Total Cash Available	2,867,718	44,101	50,563	83,887
Less:				
2016-17 expenditures	(2,750,954)	(43,404)	(4,711)	(47,742)
Receivables/Payables	36,500	-	-	-
Outstanding Loans	(117,773)	-	-	-
Cash June 30, 2017	35,491	697	45,852	36,145
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	84,783	-	-	-
Cash Per Books	120,274	697	45,852	36,145
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	53,477	-	-	-
Fund Balance (Deficit), Modified Accrual Basis	\$ 173,751	697	45,852	36,145

The accompanying notes are an integral part of these financial statements

Athletics Fund 22000	Non-Instruct. Fund 23000	Federal Projects Account 24000	State Account 27000	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600
4,595	12,241	-	-	-	144,576
41,936	2,885	26,895	-	290,786	161,871
46,531	15,126	26,895	-	290,786	306,447
(38,044)	(5,993)	(108,031)	(5,108)	(203,508)	-
-	-	1,938	-	-	-
-	-	106,093	11,680	-	-
8,487	9,133	26,895	6,572	87,278	306,447
-	-	(26,895)	(6,572)	(87,278)	-
8,487	9,133	-	-	-	306,447
(8,487)	(9,133)	901	(11,680)	-	-
-	-	901	(11,680)	-	306,447

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
TIERRA ENCANTADA CHARTER SCHOOL
Cash Reconciliation
June 30, 2017

	SB-9 Capital Improvements State 31700	SB-9 Capital Improvements Local 31701	Education Technology Equipment Act 31900	Total
Cash, June 30, 2016	\$ 423,954	-	-	706,809
Add:				
2016-17 revenues	-	220,810	211,982	3,881,991
Total Cash Available	<u>423,954</u>	<u>220,810</u>	<u>211,982</u>	<u>4,588,800</u>
Less:				
2016-17 expenditures	-	(142,008)	(169,315)	(3,518,818)
Receivables/Payables	-	-	-	38,438
Outstanding Loans	-	-	-	-
Cash June 30, 2017	<u>423,954</u>	<u>78,802</u>	<u>42,667</u>	<u>1,108,420</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	-	-	-	(35,962)
Cash Per Books	<u>423,954</u>	<u>78,802</u>	<u>42,667</u>	<u>1,072,458</u>
			Less: Agency Fund:	<u>(17,620)</u>
				<u>\$ 1,054,838</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments		(8,048)	-	17,030
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 423,954</u>	<u>70,754</u>	<u>42,667</u>	<u>1,089,488</u>
			Balance Sheets - Governmental Funds:	<u>\$ 1,089,488</u>

The accompanying notes are an integral part of these financial statements

TURQUOISE TRAIL CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,295,715
Receivables	
Due from Other Governments	131,909
Total Current Assets	<u>1,427,624</u>

Noncurrent Assets:

Capital Assets	
Building and Improvements	152,185
Furniture, Fixtures, and Equipment	106,116
Less: Accumulated Depreciation	<u>(114,070)</u>
Total Noncurrent Assets	<u>144,231</u>
Total Assets	<u>1,571,855</u>

Deferred Outflows - Pension related	<u>884,050</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	79,011
Accrued Liabilities	436,794
Compensated Absences	<u>8,142</u>
Total Current Liabilities	<u>523,947</u>

Noncurrent Liabilities:

Net Pension Liability	<u>5,987,433</u>
Total Noncurrent Liabilities	<u>5,987,433</u>

Total Liabilities	<u>6,511,380</u>
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Deferred Inflows - Pension related	<u>117,719</u>
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NET POSITION (DEFICIT)

Net Investment in Capital Assets	144,231
Restricted	564,879
Unrestricted (Deficit)	<u>(4,882,304)</u>
Total Net Position (Deficit)	<u>\$ (4,173,194)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Statement of Activities
For The Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 2,930,567	-	683,912	335,068	(1,911,587)
Support Services:					
Students	405,836	-	134,883	-	(270,953)
Instruction	50,231	-	2,373	-	(47,858)
General Administration	129,386	-	-	-	(129,386)
School Administration	149,882	-	-	-	(149,882)
Central Services	163,025	-	-	-	(163,025)
Operation & Maintenance of Plant	375,232	-	-	-	(375,232)
Operation of Non-Instructional Services	-	-	3,818	-	3,818
Other Support Services	907	-	-	-	(907)
Student Transportation	190,294	-	118,540	-	(71,754)
Food Services Operations	227,269	47,077	156,267	-	(23,925)
Facilities Materials, Supplies & Other Services	967,561	-	-	323,098	(644,463)
Total Governmental Activities	\$ 5,590,190	47,077	1,099,793	658,166	(3,785,154)
General Revenues:					
Property Taxes					\$ 606,886
State Equalization Guarantee					3,032,793
Total General Revenues					<u>3,639,679</u>
Change in Net Position					(145,475)
Net Position (Deficit), Beginning					(4,027,719)
Net Position (Deficit), Ending					<u>\$ (4,173,194)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
ASSETS				
Cash and Cash Equivalents	\$ 671,673	-	7,455	-
Accounts Receivable				
Due from Other Governments	-	-	-	3,853
Due from Other Funds	48,893	-	-	1,651
Total Assets	<u>\$ 720,566</u>	<u>-</u>	<u>7,455</u>	<u>5,504</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 9,421	-	-	5,412
Accrued Expenditures	364,205	-	-	92
Due to Other Funds	-	-	-	-
Total Liabilities	<u>373,626</u>	<u>-</u>	<u>-</u>	<u>5,504</u>
<i>Fund Balances</i>				
Fund Balance:				
Restricted for:				
Instruction	-	-	7,455	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	346,940	-	-	-
Total Fund Balance	<u>346,940</u>	<u>-</u>	<u>7,455</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 720,566</u>	<u>-</u>	<u>7,455</u>	<u>5,504</u>

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Preschool 24109	Teacher Principal Training 24154	2012 GO Bond Student Library SB-66 27107	Pre-K Initiative 27149
-	-	-	-	-	-
19,779	12,028	395	4,290	2,373	34,010
-	-	-	-	-	-
<u>19,779</u>	<u>12,028</u>	<u>395</u>	<u>4,290</u>	<u>2,373</u>	<u>34,010</u>
-	-	-	-	-	-
12,107	-	-	-	-	25,505
7,672	12,028	395	4,290	2,373	8,505
<u>19,779</u>	<u>12,028</u>	<u>395</u>	<u>4,290</u>	<u>2,373</u>	<u>34,010</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>19,779</u>	<u>12,028</u>	<u>395</u>	<u>4,290</u>	<u>2,373</u>	<u>34,010</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Balance Sheets - Governmental Funds - (Continued)
June 30, 2017

	Kindergarten Three Plus 27166	Pay for Performance Individual 27188	Pay for Performance Group 27190	Medicaid HSD 28144
ASSETS				
Cash and Cash Equivalents	\$ -	-	-	7,758
Accounts Receivable				
Due from Government	50,744	-	-	4,437
Due from Other Funds	-	-	-	-
Total Assets	<u>50,744</u>	<u>-</u>	<u>-</u>	<u>12,195</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 3,750	-	-	29
Accrued Expenditures	31,713	-	-	3,172
Due to Other Funds	15,281	-	-	-
Total Liabilities	<u>50,744</u>	<u>-</u>	<u>-</u>	<u>3,201</u>
<i>Fund Balances</i>				
Fund Balance:				
Restricted for:				
Instruction	-	-	-	8,994
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,994</u>
Total Liabilities and Fund Balances	<u>\$ 50,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>12,195</u>

The accompanying notes are an integral part of these financial statements

Private Dir Grants 29102	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements 31701	Education Technology Act 31900	Total
4,539	-	370,201	-	150,874	83,215	1,295,715
-	-	-	-	-	-	131,909
-	-	-	-	-	-	50,544
<u>4,539</u>	<u>-</u>	<u>370,201</u>	<u>-</u>	<u>150,874</u>	<u>83,215</u>	<u>1,478,168</u>
-	-	41,392	-	7,617	11,390	\$ 79,011
-	-	-	-	-	-	436,794
-	-	-	-	-	-	50,544
<u>-</u>	<u>-</u>	<u>41,392</u>	<u>-</u>	<u>7,617</u>	<u>11,390</u>	<u>566,349</u>
4,539	-	-	-	-	-	20,988
-	-	328,809	-	143,257	71,825	543,891
-	-	-	-	-	-	346,940
<u>4,539</u>	<u>-</u>	<u>328,809</u>	<u>-</u>	<u>143,257</u>	<u>71,825</u>	<u>911,819</u>
<u>4,539</u>	<u>-</u>	<u>370,201</u>	<u>-</u>	<u>150,874</u>	<u>83,215</u>	<u>1,478,168</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 911,819**

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

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

Capital Assets	258,301	
Accumulated Depreciation	<u>(114,070)</u>	
		144,231

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		884,050
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Defined benefit plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.		(117,719)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		(5,987,433)
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Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		
Compensated Absences		<u>(8,142)</u>

Net Position (Deficit)-Total Governmental Activities		<u><u>\$ (4,173,194)</u></u>
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The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	3,032,793	118,540	26,821	-
Federal Grant	-	-	-	156,267
Charges for Services	231	-	-	46,846
Contributions	3,818	-	-	-
Total Revenues	<u>3,036,842</u>	<u>118,540</u>	<u>26,821</u>	<u>203,113</u>
EXPENDITURES				
Current:				
Instruction	2,159,957	-	32,222	-
Support Services:				
Students	250,656	-	-	-
Instruction	36,385	-	-	-
General Administration	106,825	-	-	-
School Administration	120,375	-	-	-
Central Services	146,332	-	-	-
Operation & Maintenance of Plant	370,587	-	-	-
Student Transportation	23,574	145,117	-	-
Other Support Services Operations	907	-	-	-
Food Services Operations	8,707	-	-	212,543
Capital Outlay	-	-	-	-
Total Expenditures	<u>3,224,305</u>	<u>145,117</u>	<u>32,222</u>	<u>212,543</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(187,463)</u>	<u>(26,577)</u>	<u>(5,401)</u>	<u>(9,430)</u>
Other Financing Sources (Uses):				
Operating Transfers In (Out)	(9,430)	-	-	9,430
Total Other Financing Sources (Uses)	<u>(9,430)</u>	<u>-</u>	<u>-</u>	<u>9,430</u>
Net Changes in Fund Balances	<u>(196,893)</u>	<u>(26,577)</u>	<u>(5,401)</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>543,833</u>	<u>26,577</u>	<u>12,856</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 346,940</u>	<u>-</u>	<u>7,455</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Preschool 24109	Teacher Principal Training 24154	2012 GO Bond Student Library SB-66 27107	Pre-K Initiative 27149
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,373	168,738
92,412	94,509	395	11,290	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>92,412</u>	<u>94,509</u>	<u>395</u>	<u>11,290</u>	<u>2,373</u>	<u>168,738</u>
88,594	-	-	11,290	-	166,563
-	94,509	395	-	-	-
-	-	-	-	2,373	-
3,818	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,175
-	-	-	-	-	-
-	-	-	-	-	-
<u>92,412</u>	<u>94,509</u>	<u>395</u>	<u>11,290</u>	<u>2,373</u>	<u>168,738</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Kindergarten Three Plus 27166	Pay for Performance Individual 27188	Pay for Performance Individual 27190	Medicaid HSD 28144
REVENUES				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	120,838	169,804	94,009	39,979
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Contributions	-	-	-	-
Total Revenues	<u>120,838</u>	<u>169,804</u>	<u>94,009</u>	<u>39,979</u>
EXPENDITURES				
Current:				
Instruction	84,892	163,345	62,492	-
Support Services:				
Students	-	-	7,784	41,068
Instruction	-	-	2,700	-
General Administration	6,466	-	-	-
School Administration	11,674	6,459	3,385	-
Central Services	3,890	-	1,491	-
Operation & Maintenance of Plant	1,238	-	3,407	-
Student Transportation	12,678	-	6,750	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	6,000	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>120,838</u>	<u>169,804</u>	<u>94,009</u>	<u>41,068</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,089)</u>
Other Financing Sources (Uses):				
Operating Transfers In (Out)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,089)</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,083</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>8,994</u>

The accompanying notes are an integral part of these financial statements

Private Dir Grants 29102	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements 31701	Education Technology 31900	Total
-	-	266,575	-	340,311	-	606,886
-	-	-	-	-	335,068	335,068
-	323,098	-	-	-	-	4,096,993
-	-	-	-	-	-	354,873
-	-	-	-	-	-	47,077
-	-	-	-	-	-	3,818
-	<u>323,098</u>	<u>266,575</u>	<u>-</u>	<u>340,311</u>	<u>335,068</u>	<u>5,444,715</u>
3,732	-	-	-	-	-	2,773,087
-	-	-	-	-	-	394,412
-	-	-	-	-	-	41,458
-	-	2,666	-	3,403	-	123,178
-	-	-	-	-	-	141,893
-	-	-	-	-	-	151,713
-	-	-	-	-	-	375,232
-	-	-	-	-	-	190,294
-	-	-	-	-	-	907
-	-	-	-	-	-	227,250
-	<u>323,098</u>	<u>85,176</u>	<u>4,130</u>	<u>274,787</u>	<u>263,243</u>	<u>950,434</u>
<u>3,732</u>	<u>323,098</u>	<u>87,842</u>	<u>4,130</u>	<u>278,190</u>	<u>263,243</u>	<u>5,369,858</u>
<u>(3,732)</u>	<u>-</u>	<u>178,733</u>	<u>(4,130)</u>	<u>62,121</u>	<u>71,825</u>	<u>74,857</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(81,136)</u>	<u>81,136</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(81,136)</u>	<u>81,136</u>	<u>-</u>	<u>-</u>
<u>(3,732)</u>	<u>-</u>	<u>178,733</u>	<u>(85,266)</u>	<u>143,257</u>	<u>71,825</u>	<u>74,857</u>
<u>8,271</u>	<u>-</u>	<u>150,076</u>	<u>85,266</u>	<u>-</u>	<u>-</u>	<u>836,962</u>
<u>4,539</u>	<u>-</u>	<u>328,809</u>	<u>-</u>	<u>143,257</u>	<u>71,825</u>	<u>911,819</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 74,857**

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

Some Expenses reported in the statement of activities do not require the
use of current financial resources and therefore are not reported as
expenditures in the governmental funds.

Change in Compensated Absences (3,421)

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
capital outlay exceeds depreciation for the period

Capital Outlays	21,434	
Depreciation Expense	(38,561)	
	(17,127)	(17,127)

Changes in long-term liabilities

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability		(199,784)
		(199,784)

Change in Net Position-Total Governmental Activities **\$ (145,475)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 33,039</u>
Total Assets	<u><u>\$ 33,039</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 33,039</u>
Total Liabilities	<u><u>\$ 33,039</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 14,317	92,642	(73,920)	33,039
Total Assets	<u>\$ 14,317</u>	<u>92,642</u>	<u>(73,920)</u>	<u>33,039</u>
 LIABILITIES				
Accrued Liabilites	\$ 181	-	(181)	-
Deposits Held for Others	14,136	92,642	(73,739)	33,039
Total Liabilities	<u>\$ 14,317</u>	<u>92,642</u>	<u>(73,920)</u>	<u>33,039</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Turquoise Trail Charter School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Turquoise Trail Charter School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Turquoise Trail Charter School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Building and improvements	7 – 30 years
Furniture, fixtures & equipment	5 years

Capital assets for Turquoise Trail Charter School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Building and improvements	\$ 138,212	13,973	-	152,185
Furniture, fixtures & equipment	123,524	7,461	(24,869)	106,116
<i>Total</i>	<u>261,736</u>	<u>21,434</u>	<u>(24,869)</u>	<u>258,301</u>
<i>Less: Accumulated Depreciation</i>				
Building and improvements	(11,466)	(28,341)	-	(39,807)
Furniture, fixtures & equipment	(88,912)	(10,220)	24,869	(74,263)
<i>Total</i>	<u>(100,378)</u>	<u>(38,561)</u>	<u>24,869</u>	<u>(114,070)</u>
Capital Assets, Net	<u>\$ 161,358</u>	<u>(17,127)</u>	<u>-</u>	<u>144,231</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expensed for the year ended June 30, 2017 was expensed to the following function:

Facilities Materials, Supplies & Other Services	\$ 38,561
Total	\$ 38,561

NOTE 3. COMMITMENTS AND LIABILITIES

Turquoise Trail Charter School leases their facilities from the Santa Fe Public Schools' Board of Education (Board of Education). The lease requires Turquoise Trail Charter School to pay the Board of Education the sum of \$1 for each lease year. In addition, Turquoise Trail Charter School must pay the Board of Education the sum of all grant funds received by Turquoise Trail Charter School from the Public School Capital Outlay fund (31200). Rental expenses for the year ended June 30, 2017 was \$323,098.

Turquoise Trail Charter School had a compensated absences balance of \$4,721 at the beginning of the fiscal year. Additions to the balance were \$3,421, which resulted in an ending balance of \$8,142. All of this balance is considered to be current.

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Turquoise Trail Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Turquoise Trail Charter School paid employee and employer contributions of \$322,855 and \$334,249.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Turquoise Trail Charter School reported a liability of \$5,987,433 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Turquoise Trail Charter School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Turquoise Trail Charter School’s proportion was 0.08320%, which was a decrease of 0.00052% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Turquoise Trail Charter School recognized pension expense of \$520,574. As of June 30, 2017, Turquoise Trail Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,976	(56,948)
Changes in assumptions	121,880	-
Net difference between projected and actual earnings on pension plan investments	357,400	-
Changes in proportion and differences between the Turquoise Trail Charter School’s contributions and proportionate share of contributions	55,939	(60,771)
Turquoise Trail Charter School’s contributions subsequent to the measurement date	<u>322,855</u>	<u>-</u>
Total	<u>\$ 884,050</u>	<u>(117,719)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

The amount of \$322,855 reported as deferred outflows of resources related to pensions resulting from Turquoise Trail Charter School contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	70,960
2019		122,936
2020		164,424
2021		<u>87,156</u>
Total	\$	<u>445,476</u>

Sensitivity of Turquoise Trail Charter School's proportionate share of the net pension liability to changes in the discount rate. The following presents the Turquoise Trail Charter Schools proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Turquoise Trail Charter 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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Turquoise Trail Charter School proportionate share of the net pension liability	<u>\$ 7,930,216</u>	<u>5,987,433</u>	<u>4,375,472</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Turquoise Trail Charter School owed \$78,307 to ERB for fiscal year 2017 contributions.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. OVERSPENT BUDGET LINE ITEM

Turquoise Trail Charter School had expenditures in excess of the budget in the following fund:

21000 Food Services	
Food Services Operations	\$1,168
27166 Kindergarten – Three Plus	
Support Services	\$294

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	30-Jun			
	Fiscal Year	2017	2016	2015
	Measurement Date	2016	2015	2014
Turquoise Trail Charter School's Proportion of the Net Pension Liability (Asset)		0.08320%	0.08372%	0.08191%
Turquoise Trail Charter School's Proportionate Share of Net Pension Liability (Asset)	\$	5,987	5,423	4,674
Turquoise Trail Charter School's Covered-Employee Payroll	\$	2,280	2,286	2,258
Turquoise Trail Charter School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	237.23%	207.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Turquoise Trail Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ 75	331	323
Contributions in Relation to the Contractually Required Contribution	75	331	323
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Turquoise Trail Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 3,138,857	3,032,798	3,032,793	(5)
Contributions	10,000	10,000	3,818	(6,182)
Charges for Services	1,800	1,800	231	(1,569)
Total Revenues	3,150,657	3,044,598	3,036,842	(7,756)
EXPENDITURES				
Current:				
Instruction	2,272,347	2,264,847	2,168,411	96,436
Support Services:				
Students	261,157	261,157	250,630	10,527
Instruction	29,320	36,820	36,374	446
General Administration	49,647	49,647	106,024	(56,377)
School Administration	339,960	289,960	120,264	169,696
Central Services	265,652	200,860	146,250	54,610
Operation & Maintenance of Plant	346,629	396,629	359,483	37,146
Student Transportation	-	-	23,574	(23,574)
Other Support Services Operations	69,962	38,695	907	37,788
Total Expenditures	3,634,674	3,538,615	3,211,917	326,698
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(484,017)	(494,017)	(175,075)	318,942
Other Financing Sources (Uses):				
Operating transfers	-	-	(9,430)	(9,430)
Designated Cash	484,017	494,017	-	(494,017)
Total Other Financing Sources (Uses):	484,017	494,017	(9,430)	(503,447)
Net Changes in Fund Balances	-	-	(184,505)	(184,505)
Cash or Fund Balances - Beginning of Year	-	-	549,573	549,573
Cash or Fund Balances - End of Year	\$ -	-	365,068	365,068
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ (184,505)	
Adjustments to Revenues			-	
Adjustments to Expenditures			(12,388)	
NET CHANGE IN FUND BALANCE			\$ (196,893)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 165,247	145,117	118,540	(26,577)
Total Revenues	<u>165,247</u>	<u>145,117</u>	<u>118,540</u>	<u>(26,577)</u>
EXPENDITURES				
Support Services:				
Student Transportation	165,247	145,117	145,117	-
Total Expenditures	<u>165,247</u>	<u>145,117</u>	<u>145,117</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(26,577)	(26,577)
Net Changes in Fund Balances	-	-	(26,577)	(26,577)
Cash or Fund Balances - Beginning of Year	-	-	26,577	26,577
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (26,577)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (26,577)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 25,351	22,814	26,821	4,007
Total Revenues	<u>25,351</u>	<u>22,814</u>	<u>26,821</u>	<u>4,007</u>
EXPENDITURES				
Current:				
Instruction	38,922	36,385	32,222	4,163
Total Expenditures	<u>38,922</u>	<u>36,385</u>	<u>32,222</u>	<u>4,163</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(13,571)</u>	<u>(13,571)</u>	<u>(5,401)</u>	<u>8,170</u>
Other Financing Sources (Uses):				
Designated Cash	12,856	12,856	-	(12,856)
Total Other Financing Sources (Uses):	<u>12,856</u>	<u>12,856</u>	<u>-</u>	<u>(12,856)</u>
Net Changes in Fund Balances	<u>(715)</u>	<u>(715)</u>	<u>(5,401)</u>	<u>(4,686)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>12,856</u>	<u>12,856</u>
Cash or Fund Balances - End of Year	<u>\$ (715)</u>	<u>(715)</u>	<u>7,455</u>	<u>8,170</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (5,401)	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (5,401)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 90,000	164,500	156,691	(7,809)
Charges for Services	40,500	40,500	46,846	6,346
Total Revenues	<u>130,500</u>	<u>205,000</u>	<u>203,537</u>	<u>(1,463)</u>
EXPENDITURES				
Current:				
Food Services Operations	130,500	205,000	206,168	(1,168)
Total Expenditures	<u>130,500</u>	<u>205,000</u>	<u>206,168</u>	<u>(1,168)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,631)</u>	<u>(2,631)</u>
Other financing sources (uses):				
Operating transfers	-	-	9,430	9,430
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>9,430</u>	<u>9,430</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>6,799</u>	<u>6,799</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(13,947)</u>	<u>(13,947)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(7,148)</u>	<u>(7,148)</u>
Reconciliation to GAAP Basis:				
Net change in fund balance			\$ 6,799	
Adjustments to Revenues			(424)	
Adjustments to Expenditures			<u>(6,375)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 96,050	98,854	103,116	4,262
Total Revenues	96,050	98,854	103,116	4,262
EXPENDITURES				
Current:				
Instruction	96,050	94,594	88,594	6,000
Support Services:				
General Administration	-	4,260	3,818	442
Total Expenditures	96,050	98,854	92,412	6,442
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	10,704	10,704
Net Changes in Fund Balances	-	-	10,704	10,704
Cash or Fund Balances - Beginning of Year	-	-	(30,483)	(30,483)
Cash or Fund Balances - End of Year	\$ -	-	(19,779)	(19,779)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 10,704	
Adjustments to Revenues			(10,704)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 84,406	94,509	82,481	(12,028)
Total Revenues	84,406	94,509	82,481	(12,028)
EXPENDITURES				
Current:				
Support Services:				
Students	80,768	90,871	94,509	(3,638)
General Administration	3,638	3,638	-	3,638
Total Expenditures	84,406	94,509	94,509	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(12,028)	(12,028)
Net Changes in Fund Balances	-	-	(12,028)	(12,028)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(12,028)	(12,028)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (12,028)	
Adjustments to Revenues			12,028	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Preschool 24109
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	980	-	(980)
Total Revenues	-	980	-	(980)
EXPENDITURES				
Current:				
Support Services:				
Students	-	980	395	585
Total Expenditures	-	980	395	585
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(395)	(395)
Net Changes in Fund Balances	-	-	(395)	(395)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(395)	(395)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (395)	
Adjustments to Revenues			395	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	24,583	8,206	(16,377)
Total Revenues	<u>-</u>	<u>24,583</u>	<u>8,206</u>	<u>(16,377)</u>
EXPENDITURES				
Current:				
Instruction	-	23,883	11,290	12,593
Support Services:				
General Administration	-	700	-	700
Total expenditures	<u>-</u>	<u>24,583</u>	<u>11,290</u>	<u>13,293</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,084)</u>	<u>(3,084)</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,084)</u>	<u>(3,084)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,205)</u>	<u>(1,205)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(4,289)</u>	<u>(4,289)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,084)	
Adjustments to Revenues			3,084	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
2012 GO Bond Student Library SB-66 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 3,084	3,811	4,000	189
Total Revenues	<u>3,084</u>	<u>3,811</u>	<u>4,000</u>	<u>189</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	3,084	3,811	2,373	1,438
Total Expenditures	<u>3,084</u>	<u>3,811</u>	<u>2,373</u>	<u>1,438</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	1,627	1,627
Net Changes in Fund Balances	-	-	1,627	1,627
Cash or Fund Balances - Beginning of Year	-	-	(4,000)	(4,000)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,373)</u>	<u>(2,373)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 1,627	
Adjustments to Revenues			(1,627)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Reads to Lead 27114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	11,601	11,601
Total Revenues	-	-	11,601	11,601
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	11,601	11,601
Net Changes in Fund Balances	-	-	11,601	11,601
Cash or Fund Balances - Beginning of Year	-	-	(11,601)	(11,601)
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 11,601	
Adjustments to Revenues			(11,601)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Pre-K Initiative 27149
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 168,897	168,897	158,976	(9,921)
Total Revenues	168,897	168,897	158,976	(9,921)
EXPENDITURES				
Current:				
Instruction	165,033	166,722	166,563	159
Support Services:				
General Administration	1,689	-	-	-
Student Transportation	2,175	2,175	2,175	-
Total Expenditures	168,897	168,897	168,738	159
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(9,762)	(9,762)
Net Changes in Fund Balances	-	-	(9,762)	(9,762)
Cash or Fund Balances - Beginning of Year	-	-	(24,248)	(24,248)
Cash or Fund Balances - End of Year	\$ -	-	(34,010)	(34,010)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (9,762)	
Adjustments to Revenues			9,762	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Kindergarten Three Plus 27166
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 51,018	123,047	93,683	(29,364)
Total Revenues	51,018	123,047	93,683	(29,364)
EXPENDITURES				
Current:				
Instruction	42,018	87,395	84,892	2,503
Support Services:				
General Administration	-	-	6,466	(6,466)
School Administration	-	21,219	11,674	9,545
Central Services	-	-	3,890	(3,890)
Operation & Maintenance of Plant	-	-	1,238	(1,238)
Student Transportation	9,000	14,433	12,678	1,755
Total Expenditures	51,018	123,047	120,838	2,209
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(27,155)	(27,155)
Net Changes in Fund Balances	-	-	(27,155)	(27,155)
Cash or Fund Balances - Beginning of Year	-	-	(25,784)	(25,784)
Cash or Fund Balances - End of Year	\$ -	-	(52,939)	(52,939)
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (27,155)	
Adjustments to Revenues			27,155	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Pay for Performance - Individual 27188
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	169,804	169,804	-
Total Revenues	<u>-</u>	<u>169,804</u>	<u>169,804</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	163,345	163,345	-
Support Services:				
School Administration	-	6,459	6,459	-
Total Expenditures	<u>-</u>	<u>169,804</u>	<u>169,804</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Pay for Performance - Group 27190
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	94,009	94,009	-
Total Revenues	-	94,009	94,009	-
EXPENDITURES				
Current:				
Instruction	-	62,492	62,492	-
Support Services:				
Students	-	7,784	7,784	-
Instruction	-	2,700	2,700	-
School Administration	-	3,385	3,385	-
Central Services	-	1,491	1,491	-
Operation & Maintenance of Plant	-	3,407	3,407	-
Student Transportation	-	6,750	6,750	-
Food Services Operations	-	6,000	6,000	-
Total Expenditures	-	94,009	94,009	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Medicaid HSD 28144
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	44,085	39,673	(4,412)
Total Revenues	<u>-</u>	<u>44,085</u>	<u>39,673</u>	<u>(4,412)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	-	44,085	41,039	3,046
Total Expenditures	<u>-</u>	<u>44,085</u>	<u>41,039</u>	<u>3,046</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(1,366)	(1,366)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,366)</u>	<u>(1,366)</u>
Cash or Fund Balances - Beginning of Year	-	-	5,952	5,952
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,586</u>	<u>4,586</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (1,366)	
Adjustments to Revenues			306	
Adjustments to Expenditures			(29)	
NET CHANGE IN FUND BALANCE			<u>\$ (1,089)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Private Dir Grants 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES	\$ -	-	-	-
<i>Total Revenues</i>	-	-	-	-
EXPENDITURES				
Current:				
Instruction	-	8,271	3,732	4,539
<i>Total Expenditures</i>	-	8,271	3,732	4,539
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(8,271)	(3,732)	4,539
Other financing sources (uses):				
Designated Cash	-	8,271	-	(8,271)
<i>Total other financing sources (uses):</i>	-	8,271	-	(8,271)
Net Changes in Fund Balances	-	-	(3,732)	(3,732)
Cash or Fund Balances - Beginning of Year	-	-	8,271	8,271
Cash or Fund Balances - End of Year	\$ -	-	4,539	4,539
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,732)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (3,732)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	323,098	404,252	81,154
Total Revenues	<u>-</u>	<u>323,098</u>	<u>404,252</u>	<u>81,154</u>
EXPENDITURES				
Capital Outlay	-	323,098	323,098	-
Total Expenditures	<u>-</u>	<u>323,098</u>	<u>323,098</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	81,154	81,154
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>81,154</u>	<u>81,154</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(81,154)</u>	<u>(81,154)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 81,154	
Adjustments to Revenues			(81,154)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 190,000	190,000	266,575	76,575
Total Revenues	<u>190,000</u>	<u>190,000</u>	<u>266,575</u>	<u>76,575</u>
EXPENDITURES				
Current:				
Support Services:				
General Administration	3,000	3,000	2,666	334
Capital Outlay	187,000	187,000	43,784	143,216
Total Expenditures	<u>190,000</u>	<u>190,000</u>	<u>46,450</u>	<u>143,550</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>220,125</u>	<u>220,125</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>220,125</u>	<u>220,125</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>150,076</u>	<u>150,076</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>370,201</u>	<u>370,201</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 220,125	
Adjustments to Revenues			-	
Adjustments to Expenditures			(41,392)	
NET CHANGE IN FUND BALANCE			<u>\$ 178,733</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ -	22,218	9,572	(12,646)
Total Revenues	<u>-</u>	<u>22,218</u>	<u>9,572</u>	<u>(12,646)</u>
EXPENDITURES				
Current:				
Capital Outlay	-	22,218	-	22,218
Total Expenditures	<u>-</u>	<u>22,218</u>	<u>-</u>	<u>22,218</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>9,572</u>	<u>9,572</u>
Other financing sources (uses):				
Operating transfers	-	-	(81,136)	(81,136)
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>(81,136)</u>	<u>(81,136)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(71,564)</u>	<u>(71,564)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>71,564</u>	<u>71,564</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ (71,564)	
Adjustments to Revenues			(9,572)	
Adjustments to Expenditures			(4,130)	
NET CHANGE IN FUND BALANCE			<u>\$ (85,266)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31701
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Property Taxes	\$ 346,733	346,733	340,311	(6,422)
Total Revenues	<u>346,733</u>	<u>346,733</u>	<u>340,311</u>	<u>(6,422)</u>
EXPENDITURES				
Support Services:				
General Administration	3,800	3,800	3,403	397
Capital Outlay	342,933	342,933	267,170	75,763
Total Expenditures	<u>346,733</u>	<u>346,733</u>	<u>270,573</u>	<u>76,160</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>69,738</u>	<u>69,738</u>
Other financing sources (uses):				
Operating transfers	-	-	81,136	81,136
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>81,136</u>	<u>81,136</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>150,874</u>	<u>150,874</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>150,874</u>	<u>150,874</u>
Reconciliation to GAAP Basis:				
<i>Net change in fund balance</i>			\$ 150,874	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>(7,617)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 143,257</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Education Technology Act 31900
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Local & County Grant	\$ -	335,068	335,068	-
Total Revenues	<u>-</u>	<u>335,068</u>	<u>335,068</u>	<u>-</u>
EXPENDITURES				
Current:				
Capital Outlay	-	335,068	251,853	83,215
Total Expenditures	<u>-</u>	<u>335,068</u>	<u>251,853</u>	<u>83,215</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>83,215</u>	<u>83,215</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>83,215</u>	<u>83,215</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>83,215</u>	<u>83,215</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 83,215	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>(11,390)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 71,825</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
Wells Fargo, N.A.	FNMA FNMS	3138MOW30	8/1/2042	\$ 227,166
Wells Fargo, N.A.	FNMA FNMS	3138MOW38	7/1/2042	\$ 371,363
				<u>\$ 598,529</u>
Total Cash per Schedule of Cash Accounts:				\$ 1,343,554
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured Public Funds:				1,093,554
Collateral Requirement:				546,777
Pledged Collateral Held by Pledging Financial Institution:				<u>598,529</u>
Balance Over Collateralized:				<u>\$ 51,752</u>
Balance Uninsured and Uncollateralized at June 30, 2017:				<u>\$ 495,025</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 1,318,881
Checking - Activity Account	<u>24,673</u>
<i>Total on Deposit</i>	1,343,554
Reconciling Items	<u>(14,800)</u>
Reconciled Balance June 30, 2017	1,328,754
Less Agency Funds	<u>(33,039)</u>
<i>Total Cash</i>	<u><u>\$ 1,295,715</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ 767,858	27,109	12,856	-
Add:				
2016-17 revenues	<u>3,036,842</u>	<u>118,540</u>	<u>26,821</u>	<u>203,537</u>
Total Cash Available	3,804,700	145,649	39,677	203,537
Less:				
2016-17 expenditures	(3,211,917)	(145,117)	(32,222)	(206,168)
Receivables/Payables	364,205	-	-	92
Outstanding Loans	<u>(48,893)</u>	<u>-</u>	<u>-</u>	<u>(1,651)</u>
Cash June 30, 2017	<u>908,095</u>	<u>532</u>	<u>7,455</u>	<u>(4,190)</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(236,422)</u>	<u>(532)</u>	<u>-</u>	<u>4,190</u>
Cash Per Books	<u>671,673</u>	<u>-</u>	<u>7,455</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(324,733)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Modified Accrual Basis	<u>\$ 346,940</u>	<u>-</u>	<u>7,455</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Non-Instruct. Fund 23000	Federal Projects Account 24000	State Account 27000	Medicaid HSD 28000	Private Dir Grants 29102	Public School Capital Outlay 31200
14,317	-	-	7,204	8,271	-
92,642	193,803	532,073	39,673	-	404,252
106,959	193,803	532,073	46,877	8,271	404,252
(73,920)	(198,606)	(555,762)	(41,039)	(3,732)	(323,098)
-	12,107	57,218	3,172	-	-
-	24,385	26,159	-	-	-
33,039	31,689	59,688	9,010	4,539	81,154
-	(31,689)	(59,688)	(1,252)	-	(81,154)
33,039	-	-	7,758	4,539	-
-	-	-	1,236	-	-
33,039	-	-	8,994	4,539	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Turquoise Trail Charter School
Cash Reconciliation-(Continued)
June 30, 2017**

	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	SB-9 Capital Improvements 31701
Cash, June 30, 2016	\$ 150,076	79,779	-
Add:			
2016-17 revenues	266,575	9,572	340,311
Total Cash Available	416,651	89,351	340,311
Less:			
2016-17 expenditures	(46,450)	-	(270,573)
Receivables/Payables	-	-	-
Outstanding Loans	-	-	-
Cash June 30, 2017	370,201	89,351	69,738
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	-	(89,351)	81,136
Cash Per Books	370,201	-	150,874
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	(41,392)	-	(7,617)
Fund Balance, Modified Accrual Basis	<u>\$ 328,809</u>	<u>-</u>	<u>143,257</u>

The accompanying notes are an integral part of these financial statements

Education Technology Act 31900	Total
-	1,067,470
<u>335,068</u>	<u>5,599,709</u>
335,068	6,667,179
(251,853)	(5,360,457)
-	436,794
<u>-</u>	<u>-</u>
<u>83,215</u>	<u>1,743,516</u>
-	(414,762)
<u>83,215</u>	<u>1,328,754</u>
Less: Agency Funds:	<u>(33,039)</u>
	<u>1,295,715</u>
<u>(11,390)</u>	<u>(383,896)</u>
<u>71,825</u>	<u>911,819</u>

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2017

VOLUME XIII



**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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UPLIFT COMMUNITY SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 97,406
Receivables	
Due from Other Governments	<u>32,116</u>
Total Current Assets	<u>129,522</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	60,963
Less: Accumulated Depreciation	<u>(26,171)</u>
Total Noncurrent Assets	<u>34,792</u>
Total Assets	<u>164,314</u>

Deferred Outflows - Pension Related	<u>362,223</u>
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LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accrued Liabilities	<u>54,099</u>
Total Current Liabilities	<u>54,099</u>

Noncurrent Liabilities:

Net Pension Liability	<u>1,546,514</u>
Total Noncurrent Liabilities	<u>1,546,514</u>
Total Liabilities	<u>1,600,613</u>

Deferred Inflows - Pension Related	<u>114,795</u>
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NET POSITION (DEFICIT)

Investment in Capital Assets	34,792
Restricted	20,538
Unrestricted (Deficit)	<u>(1,244,201)</u>
Total Net Position (Deficit)	<u>\$ (1,188,871)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Statement of Activities
For The Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 903,878	-	198,135	-	(705,743)
Support Services:					
Students	129,558	-	-	-	(129,558)
Instruction	26,483	-	-	-	(26,483)
General Administration	47,248	-	-	-	(47,248)
School Administration	193,942	-	-	-	(193,942)
Central Services	115,169	-	-	-	(115,169)
Operation & Maintenance of Plant	233,642	-	-	-	(233,642)
Student Transportation	70,852	-	87,696	-	16,844
Food Services	89,581	478	74,799	-	(14,304)
Facilities Materials, Supplies & Other Services	128,400	-	-	128,400	-
Total Governmental Activities	\$ 1,938,753	478	360,630	128,400	(1,449,245)
General Revenues:					
State Equalization Guarantee					1,280,515
Miscellaneous					2,133
Total General Revenues					<u>1,282,648</u>
Change in Net Position					(166,597)
Net Position (Deficit), Beginning of Year					<u>(1,022,274)</u>
Net Position (Deficit), Ending					<u>\$ (1,188,871)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
ASSETS			
Cash and Cash Equivalents	\$ 74,910	17,655	2,900
Accounts Receivable			
Due from Government	-	-	-
Due from Other Funds	30,177	-	-
Total Assets	\$ 105,087	17,655	2,900
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Expenditures	50,202	17	-
Due to Other Funds	-	-	-
Total Liabilities	50,202	17	-
Fund Balances			
Fund Balance:			
Restricted for:			
Instruction	-	-	2,900
Unassigned	54,885	-	-
Total Fund Balance	54,885	17,638	2,900
Total Liabilities and Fund Balances	\$ 105,087	17,655	2,900

The accompanying notes are an integral part of these financial statements

Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title I School Improvement 24162	Public School Capital Outlay 31200	Total
1,941	-	-	-	-	-	97,406
-	19,725	7,287	5,104	-	-	32,116
-	-	-	-	-	-	30,177
<u>1,941</u>	<u>19,725</u>	<u>7,287</u>	<u>5,104</u>	<u>-</u>	<u>-</u>	<u>159,699</u>
1,941	1,939	-	-	-	-	54,099
-	17,786	7,287	5,104	-	-	30,177
<u>1,941</u>	<u>19,725</u>	<u>7,287</u>	<u>5,104</u>	<u>-</u>	<u>-</u>	<u>84,276</u>
-	-	-	-	-	-	2,900
-	-	-	-	-	-	54,885
-	-	-	-	-	-	75,423
<u>1,941</u>	<u>19,725</u>	<u>7,287</u>	<u>5,104</u>	<u>-</u>	<u>-</u>	<u>159,699</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balance - Total Governmental Funds \$ 75,423

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

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

Capital Assets	60,963	
Accumulated Depreciation	<u>(26,171)</u>	34,792

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.

362,223

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Net Pension Liability		(1,546,514)
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.

(114,795)

Net Position (Deficit) - Total Governmental Activities

\$ (1,188,871)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
REVENUES			
Local & County Grant	\$ 28,025	-	-
State Grant	1,280,515	87,696	11,715
Federal Grant	-	-	-
Charges for Services	-	-	-
Miscellaneous Income	2,133	-	-
Total Revenues	1,310,673	87,696	11,715
EXPENDITURES			
Current:			
Instruction	732,203	-	18,225
Support Services:			
Students	40,985	-	-
Instruction	20,889	-	-
General Administration	39,681	-	-
School Administration	177,803	-	-
Central Services	112,816	-	-
Operation & Maintenance of Plant	225,805	-	-
Student Transportation	794	70,058	-
Food Services Operations	9,501	-	-
Capital Outlay	-	-	-
Total Expenditures	1,360,477	70,058	18,225
Net Changes in Fund Balances	(49,804)	17,638	(6,510)
Fund Balances - Beginning of Year	104,689	-	9,410
Fund Balances - End of Year	\$ 54,885	17,638	2,900

Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Title I School Improvement 24162	Public School Capital Outlay 31200	Total
-	-	-	-	-	-	28,025
-	-	-	-	-	128,400	1,508,326
74,799	102,130	27,161	5,104	24,000	-	233,194
478	-	-	-	-	-	478
-	-	-	-	-	-	2,133
<u>75,277</u>	<u>102,130</u>	<u>27,161</u>	<u>5,104</u>	<u>24,000</u>	<u>128,400</u>	<u>1,772,156</u>
-	39,409	-	5,104	24,000	-	818,941
-	50,191	27,161	-	-	-	118,337
-	4,963	-	-	-	-	25,852
-	7,567	-	-	-	-	47,248
-	-	-	-	-	-	177,803
-	-	-	-	-	-	112,816
-	-	-	-	-	-	225,805
-	-	-	-	-	-	70,852
75,300	-	-	-	-	-	84,801
-	-	-	-	-	128,400	128,400
<u>75,300</u>	<u>102,130</u>	<u>27,161</u>	<u>5,104</u>	<u>24,000</u>	<u>128,400</u>	<u>1,810,855</u>
(23)	-	-	-	-	-	(38,699)
<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,122</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,423</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds \$ (38,699)

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

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 capital outlay exceeds depreciation for the period.

Depreciation Expense (5,880)

Changes in Deferred Outflows of Resources-Pension Related, Deferred Inflows of Resources-Pension Related, and the Net Pension Liability. (122,018)

Change in Net Position-Total Governmental Activities \$ (166,597)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency</u>
ASSETS	
Cash in Bank	<u>\$ 631</u>
Total Assets	<u><u>\$ 631</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 631</u>
Total Liabilities	<u><u>\$ 631</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 1,071	3,513	(3,953)	631
Total Assets	<u>\$ 1,071</u>	<u>3,513</u>	<u>(3,953)</u>	<u>631</u>
LIABILITIES				
Deposits Held for Others	\$ 1,071	3,513	(3,953)	631
Total Liabilities	<u>\$ 1,071</u>	<u>3,513</u>	<u>(3,953)</u>	<u>631</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Uplift Community School’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Uplift Community School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Uplift Community School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 5 years

Capital assets for Uplift Community School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB’s Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 60,963	-	-	60,963
<i>Total</i>	60,963	-	-	60,963
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(20,291)	(5,880)	-	(26,171)
<i>Total</i>	(20,291)	(5,880)	-	(26,171)
Capital Assets, Net	\$ 40,672	(5,880)	-	34,792

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2017 was expensed to the following functions:

Instruction	\$	2,113
Operation & Maintenance of Plant		3,767
Total	\$	5,880

NOTE 3. COMMITMENTS AND LIABILITIES

Uplift Community School leased equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2017 was \$161,400.

NOTE 4. RELATED PARTY TRANSACTIONS

The business manager services are performed by Vigil Group, which performed services for multiple state charter schools.

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Uplift Community School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Uplift Community School paid employee and employer contributions of \$108,294 and \$146,501.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Uplift Community School reported a liability of \$1,546,514 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016

Uplift Community School's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Uplift Community School's proportion was 0.02149% percent, which was a decrease of 0.00017% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Uplift Community School recognized pension expense of \$229,278. As of June 30, 2017, Uplift Community School reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,709	(14,709)
Changes in assumptions	31,481	-
Net difference between projected and actual earnings on pension plan investments	92,314	-
Changes in proportion and differences between Uplift Community School's contributions and proportionate share of contributions	123,425	(100,086)
Uplift Community School's contributions subsequent to the measurement date	108,294	-
Total	\$ <u>362,223</u>	<u>(114,795)</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

The amount of \$108,294 reported as deferred outflows of resources related to pensions resulting from Uplift Community School's 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	95,037
2019		(19,901)
2020		41,487
2021		22,511
Total	\$	<u>139,134</u>

Sensitivity of Uplift Community School's proportionate share of the net pension liability to changes in the discount rate. The following presents Uplift Community School's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what Uplift Community 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:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Uplift Community School's proportionate share of the net pension liability	\$ <u>2,048,321</u>	1,546,514	<u>1,130,155</u>

Payables to the pension plan. For the year ending June 30, 2017, Uplift Community School's accrued liability due to ERB was \$34,511 for June payroll paid in July 2017.

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

NOTE 6. BUDGETARY OVERAGE

Uplift Community School expended in excess of the budget in the following fund and functions:

Fund 11000 Operational – Operation & Maintenance of Plant	\$42,213
Fund 11000 Operational – Food Services Operations	5,016

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Notes to the Financial Statements
June 30, 2017**

NOTE 7. SUBSEQUENT EVENTS

After fiscal year 2017, the New Mexico Public Education Department did not renew the school's charter agreement.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2017**

**New Mexico Educational Retirement Board Pension Plan
For Last 10 Fiscal Years*
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
School's Proportion of the Net Pension Liability (Asset)		0.02%	0.02%	0.02%
School's Proportionate Share of Net Pension Liability (Asset)	\$	1,547	1,403	1,406
School's Covered-Employee Payroll	\$	779	591	679
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		198.59%	237.39%	207.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Uplift Community School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Statutory required contributions	\$ 86	87	108
Contributions in Relation to the Contractually Required Contribution	86	87	285
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Uplift Community School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
REVENUES				
Local & County Grant	\$ -	26,453	28,025	1,572
State Grant	1,271,391	1,272,950	1,280,515	7,565
Miscellaneous Income	-	-	2,133	2,133
Total Revenues	1,271,391	1,299,403	1,310,673	11,270
EXPENDITURES				
Current:				
Instruction	882,718	775,739	732,664	43,075
Support Services:				
Students	9,000	35,453	40,985	(5,532)
Instruction	4,500	25,199	20,889	4,310
General Administration	38,454	43,860	41,592	2,268
School Administration	173,300	178,101	179,085	(984)
Central Services	104,020	115,520	112,816	2,704
Operation & Maintenance of Plant	134,399	185,937	228,150	(42,213)
Student Transportation	-	796	794	2
Food Services Operations	-	4,485	9,501	(5,016)
Total Expenditures	1,346,391	1,410,090	1,366,476	43,614
Net Changes in Fund Balances	(75,000)	(110,687)	(55,803)	54,884
Cash or Fund Balances - Beginning of Year	110,689	110,689	104,689	(6,000)
Cash or Fund Balances - End of Year	\$ 35,689	2	48,886	48,884
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (55,803)	
Adjustments to Expenditures			5,999	
NET CHANGE IN FUND BALANCE			\$ (49,804)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	87,696	87,696	-
Total Revenues	<u>-</u>	<u>87,696</u>	<u>87,696</u>	<u>-</u>
EXPENDITURES				
Current:				
Student Transportation	-	87,696	70,058	17,638
Total Expenditures	<u>-</u>	<u>87,696</u>	<u>70,058</u>	<u>17,638</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>17,638</u>	<u>17,638</u>
Cash or Fund Balances - Beginning of Year	<u>106,843</u>	<u>106,843</u>	<u>106,843</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 106,843</u>	<u>106,843</u>	<u>124,481</u>	<u>17,638</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 17,638	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 17,638</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 9,505	8,815	11,715	2,900
Total Revenues	9,505	8,815	11,715	2,900
EXPENDITURES				
Current:				
Instruction	18,915	18,225	18,225	-
Total Expenditures	18,915	18,225	18,225	-
Net Changes in Fund Balances	(9,410)	(9,410)	(6,510)	2,900
Cash or Fund Balances - Beginning of Year	9,410	9,410	9,410	-
Cash or Fund Balances - End of Year	\$ -	-	2,900	2,900
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (6,510)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (6,510)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 75,000	80,100	74,799	(5,301)
Charges for Services	-	-	478	478
Total Revenues	75,000	80,100	75,277	(4,823)
EXPENDITURES				
Current:				
Food Services Operations	80,873	85,973	75,300	10,673
Total Expenditures	80,873	85,973	75,300	10,673
Net Changes in Fund Balances	(5,873)	(5,873)	(23)	5,850
Cash or Fund Balances - Beginning of Year	23	23	23	-
Cash or Fund Balances - End of Year	\$ (5,850)	(5,850)	-	5,850
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (23)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (23)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 57,910	113,937	112,552	(1,385)
Total Revenues	57,910	113,937	112,552	(1,385)
EXPENDITURES				
Current:				
Instruction	7,230	48,030	39,410	8,620
Support Services:				
Students	44,225	50,337	50,191	146
Instruction	6,455	6,455	4,963	1,492
General Administration	-	9,115	7,567	1,548
Total Expenditures	57,910	113,937	102,131	11,806
Net Changes in Fund Balances	-	-	10,421	10,421
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	10,421	10,421
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 10,421	
Adjustments to Revenues			(10,421)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 23,231	62,761	25,994	(36,767)
Total Revenues	23,231	62,761	25,994	(36,767)
EXPENDITURES				
Current:				
Support Services:				
Students	23,231	62,761	27,161	35,600
Total Expenditures	23,231	62,761	27,161	35,600
Net Changes in Fund Balances	-	-	(1,167)	(1,167)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(1,167)	(1,167)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ (1,167)	
Adjustments to Revenues			1,167	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	-	32	32
Total Revenues	-	-	32	32
EXPENDITURES				
Current:				
Support Services:				
Students	-	-	-	-
Total Expenditures	-	-	-	-
Net Changes in Fund Balances	-	-	32	32
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	32	32
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 8,028	21,725	-	(21,725)
Total Revenues	8,028	21,725	-	(21,725)
EXPENDITURES				
Current:				
Instruction	6,000	19,697	5,104	14,593
Support Services:				
School Administration	528	528	-	528
Central Services	1,500	1,500	-	1,500
Total expenditures	8,028	21,725	5,104	16,621
Net changes in Fund Balances	-	-	(5,104)	(5,104)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(5,104)	(5,104)
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ (5,104)	
Adjustments to Revenues			5,104	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Reads 27114
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	15,080	15,080
Total Revenues	-	-	15,080	15,080
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Total Expenditures	-	-	-	-
Net Changes in Fund Balances	-	-	15,080	15,080
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	15,080	15,080
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 15,080	
Adjustments to Revenues			(15,080)	
NET CHANGE IN FUND BALANCE			\$ -	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	128,400	156,150	27,750
Total Revenues	<u>-</u>	<u>128,400</u>	<u>156,150</u>	<u>27,750</u>
EXPENDITURES				
Capital Outlay	-	128,400	128,400	-
Total Expenditures	<u>-</u>	<u>128,400</u>	<u>128,400</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>27,750</u>	<u>27,750</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>27,750</u>	<u>27,750</u>
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ 27,750	
Adjustments to Revenues			<u>(27,750)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
				Total Cash per Schedule of Cash Accounts: \$ 171,206
				Less: FDIC coverage: (250,000)
				Uninsured Public Funds: <u>(78,794)</u>
				Collateral Requirement: (39,397)
				Pledged Collateral Held by Pledging Financial Institution: <u>-</u>
				Balance Over Collateralized: \$ <u>39,397</u>
				Balance Uninsured and Uncollateralized at June 30, 2017: \$ <u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Schedule of Cash Accounts
June 30, 2017

Bank Account Type	Bank of Colorado
Checking - Operational Account	\$ 171,206
<i>Total on Deposit</i>	171,206
Reconciling Items	(73,169)
Reconciled Balance June 30, 2017	98,037
Less Agency Funds	(631)
<i>Total Cash</i>	\$ 97,406

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
UPLIFT COMMUNITY SCHOOL
Cash Reconciliation
June 30, 2017**

	Operational 11000	Transportation Fund 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2016	\$ 120,149	106,843	9,410	23
Add:				
2016-17 revenues	<u>1,310,673</u>	<u>87,696</u>	<u>11,715</u>	<u>75,277</u>
Total Cash Available	1,430,822	194,539	21,125	75,300
Less:				
2016-17 expenditures	(1,366,977)	(70,058)	(18,225)	(75,300)
Receivables/Payables	50,202	17	-	1,941
Outstanding Loans	<u>(30,177)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>83,870</u>	<u>124,498</u>	<u>2,900</u>	<u>1,941</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(8,960)</u>	<u>(106,843)</u>	<u>-</u>	<u>-</u>
Cash Per Books	<u>74,910</u>	<u>17,655</u>	<u>2,900</u>	<u>1,941</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(20,025)</u>	<u>(17)</u>	<u>-</u>	<u>(1,941)</u>
Fund Balance, Modified Accrual Basis	<u>\$ 54,885</u>	<u>17,638</u>	<u>2,900</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Non-Instruct. Fund 23000	Federal Projects Account 24000	State Account 27000	Public School Capital Outlay 31200	Total
1,071	-	-	-	237,496
<u>3,513</u>	<u>162,578</u>	<u>15,080</u>	<u>156,150</u>	<u>1,822,682</u>
4,584	162,578	15,080	156,150	2,060,178
(3,953)	(158,395)	-	(128,400)	(1,821,308)
-	1,939	-	-	54,099
-	30,177	-	-	-
<u>631</u>	<u>36,299</u>	<u>15,080</u>	<u>27,750</u>	<u>292,969</u>
-	(36,299)	(15,080)	(27,750)	(194,932)
<u>631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,037</u>
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:				<u>(631)</u>
				<u>\$ 97,406</u>
-	-	-	-	(21,983)
<u>631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,054</u>
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:				<u>(631)</u>
Balance Sheets - Governmental Funds:				<u>\$ 75,423</u>

The accompanying notes are an integral part of these financial statements

WALATOWA HIGH CHARTER SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 1,917,674
Receivables	
Due from Other Governments	140,593
Prepaid Expenses	626
Total Current Assets	<u>2,058,893</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	2,755
Leasehold improvements	16,101
Less: Accumulated Depreciation	(3,023)
Total Noncurrent Assets	<u>15,833</u>

Total Assets 2,074,726

Deferred Outflows - Pension Related 254,798

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	8,095
Accrued Liabilities	4,715
Compensated Absences	35,203
Total Current Liabilities	<u>48,013</u>

Noncurrent Liabilities:

Net Pension Liability	<u>1,290,321</u>
Total Noncurrent Liabilities	<u>1,290,321</u>

Total Liabilities 1,338,334

Deferred Inflows - Pension Related 15,566

NET POSITION

Net Investment in Capital Assets	15,833
Restricted	309,882
Unrestricted	649,909
Total Net Position	<u>\$ 975,624</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 626,702	17,101	581,020	-	(28,581)
Support Services:					
Students	40,046	-	-	-	(40,046)
Instruction	62,049	-	-	-	(62,049)
General Administration	19,926	-	-	-	(19,926)
School Administration	166,588	-	-	-	(166,588)
Central Services	139,647	-	-	-	(139,647)
Operation & Maintenance of Plant	50,489	-	-	-	(50,489)
Student Transportation	613	-	-	-	(613)
Food Services Operations	72,379	-	32,812	-	(39,567)
Facilities Materials, Supplies & Other Services	44,973	-	-	43,798	(1,175)
Total Governmental Activities	\$ 1,223,412	17,101	613,832	43,798	(548,681)
General Revenues:					
State Equalization Guarantee					\$ 696,798
Total General Revenues					<u>696,798</u>
Change in Net Position					148,117
Net Position, Beginning					<u>827,507</u>
Net Position, Ending					<u>\$ 975,624</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Balance Sheets - Governmental Funds
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 1,623,031	26,720	20,712	-
Accounts Receivable				
Due from Other Governments	50,478	-	-	4,325
Due from Other Funds	79,226	-	-	-
Prepaid Expenditures	-	-	-	-
Total Assets	\$ 1,752,735	26,720	20,712	4,325
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 8,095	-	-	-
Accrued Expenditures	3,984	-	-	11
Due to Other Funds	-	-	-	1,441
Total Liabilities	12,079	-	-	1,452
Fund Balances (Deficit)				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	-	26,720	-	2,873
Food Service Operations	-	-	20,712	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	1,740,656	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balance (Deficit)	1,740,656	26,720	20,712	2,873
Total Liabilities and Fund Balances (Deficit)	\$ 1,752,735	26,720	20,712	4,325

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Title VII Indian Education 24155	USHHS/CDC School Health 24186	Impact Aid Indian Education 25145	Impact Aid Special Indian 25147	"Gear Up" NM State Initiative 25205
3,188	7,649	-	24,696	189,571	-
-	-	2,089	1,107	11,267	47,993
-	-	-	-	-	-
-	-	-	-	-	626
<u>3,188</u>	<u>7,649</u>	<u>2,089</u>	<u>25,803</u>	<u>200,838</u>	<u>48,619</u>
-	-	-	-	-	-
-	-	-	8	-	711
-	-	2,089	-	-	48,474
-	-	2,089	8	-	49,185
-	-	-	-	-	626
3,188	7,649	-	25,795	200,838	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(1,192)
<u>3,188</u>	<u>7,649</u>	<u>-</u>	<u>25,795</u>	<u>200,838</u>	<u>(566)</u>
<u>3,188</u>	<u>7,649</u>	<u>2,089</u>	<u>25,803</u>	<u>\$ 200,838</u>	<u>48,619</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Balance Sheets - Governmental Funds - (Continued)
June 30, 2017

	Center Native Education 26181	Dual Credit 27103	2012 GO Bond 27107	Indian Education Act Appropriation 27150
ASSETS				
Cash and Cash Equivalents	\$ 5,583	-	-	-
Accounts Receivable				
Due from Other Governments	-	-	-	23,334
Due from Other Funds	-	-	-	-
Prepaid Expenditures	-	-	-	-
Total Assets	\$ 5,583	-	-	23,334
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	-	-	-
Accrued Expenditures	-	-	-	1
Due to Other Funds	-	-	2,255	24,967
Total Liabilities	-	-	2,255	24,968
<i>Fund Balances (Deficit)</i>				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	5,583	-	-	-
Food Service Operations	-	-	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	-
Unassigned (Deficit)	-	-	(2,255)	(1,634)
Total Fund Balance (Deficit)	5,583	-	(2,255)	(1,634)
Total Liabilities and Fund Balances (Deficit)	\$ 5,583	-	-	23,334

The accompanying notes are an integral part of these financial statements

New Mexico GEAR Up 28178	Private Direct Grant 29102	Public School Capital Outlay 31200	Special Capital Outlay Federal 31500	Total
1,132	3,563	-	11,829	1,917,674
-	-	-	-	140,593
-	-	-	-	79,226
-	-	-	-	626
<u>1,132</u>	<u>3,563</u>	<u>-</u>	<u>11,829</u>	<u>2,138,119</u>
-	-	-	-	8,095
-	-	-	-	4,715
-	-	-	-	79,226
-	-	-	-	92,036
-	-	-	-	626
1,132	3,563	-	-	277,341
-	-	-	-	20,712
-	-	-	11,829	11,829
-	-	-	-	1,740,656
-	-	-	-	(5,081)
<u>1,132</u>	<u>3,563</u>	<u>-</u>	<u>11,829</u>	<u>2,046,083</u>
<u>1,132</u>	<u>3,563</u>	<u>-</u>	<u>11,829</u>	<u>2,138,119</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 2,046,083**

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

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

Capital Assets	18,856	
Accumulated Depreciation	(3,023)	
		15,833

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.	254,798
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Deferred benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	(15,566)
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The net pension liability are not due and payable in the current period and, therefore, is not reported in the funds.	(1,290,321)
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Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.	
Compensated absences	(35,203)

Net Position-Total Governmental Activities **\$ 975,624**

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
State Grant	\$ 696,798	3,658	-	-
Federal Grant	260,219	-	32,812	15,835
Miscellaneous Income	12,101	-	-	-
Total Revenues	969,118	3,658	32,812	15,835
EXPENDITURES				
Current:				
Instruction	332,691	2,024	-	15,835
Support Services:				
Students	14,689	-	-	-
Instruction	-	-	-	-
General Administration	17,752	-	-	-
School Administration	141,283	-	-	-
Central Services	122,047	-	-	-
Operation & Maintenance of Plant	64,028	-	-	-
Student Transportation	613	-	-	-
Food Services Operations	41,417	-	30,962	-
Capital Outlay	-	-	-	-
Total Expenditures	734,520	2,024	30,962	15,835
Net Changes in Fund Balances	234,598	1,634	1,850	-
Fund Balances (Deficit) - Beginning of Year	1,506,058	25,086	18,862	2,873
Fund Balances (Deficit) - End of Year	\$ 1,740,656	26,720	20,712	2,873

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Title VII Indian Education 24155	USHHS/CDC School Health 24186	Impact Aid Indian Education 25145	Impact Aid Special Indian 25147	"Gear Up" NM State Initiative 25205
-	-	-	-	-	2,500
-	-	2,089	4,139	64,619	202,103
-	-	-	-	-	-
-	-	2,089	4,139	64,619	204,603
-	4,000	2,089	15,222	50,626	138,399
-	-	-	-	-	9,596
-	-	-	-	-	53,356
-	-	-	-	2,174	-
-	-	-	-	-	2,526
-	-	-	-	335	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,000	2,089	15,222	53,135	203,877
-	(4,000)	-	(11,083)	11,484	726
3,188	11,649	-	36,878	189,354	(1,292)
3,188	7,649	-	25,795	200,838	(566)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Center Native Education 26181	Dual Credit 27103	2012 GO Bond 27107	Indian Education Act Appropriation 27150
REVENUES				
State Grant	\$ -	961	1,563	23,334
Federal Grant	-	-	-	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>-</u>	<u>961</u>	<u>1,563</u>	<u>23,334</u>
EXPENDITURES				
Current:				
Instruction	-	961	-	11,363
Support Services:				
Students	-	-	-	11,971
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>961</u>	<u>-</u>	<u>23,334</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,563</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	<u>5,583</u>	<u>-</u>	<u>(3,818)</u>	<u>(1,634)</u>
Fund Balances (Deficit) - End of Year	<u>\$ 5,583</u>	<u>-</u>	<u>(2,255)</u>	<u>(1,634)</u>

The accompanying notes are an integral part of these financial statements

New Mexico GEAR Up 28178	Private Direct Grant 29102	Public School Capital Outlay 31200	Special Capital Outlay Federal 31500	Total
-	-	38,285	-	767,099
-	-	-	5,513	587,329
-	5,000	-	-	17,101
-	5,000	38,285	5,513	1,371,529
-	2,240	-	-	575,450
-	-	-	-	36,256
-	-	-	-	53,356
-	-	-	-	19,926
-	-	-	-	143,809
-	-	-	-	122,382
-	-	-	-	64,028
-	-	-	-	613
-	-	-	-	72,379
-	-	38,285	-	38,285
-	2,240	38,285	-	1,126,484
-	2,760	-	5,513	245,045
1,132	803	-	6,316	1,801,038
1,132	3,563	-	11,829	2,046,083

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ 245,045**

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

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in Compensated Absences (3,104)

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 capital outlay exceeds depreciation for the period

Capital Outlays	16,101	
Depreciation Expense	(268)	
	15,833	15,833

Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability. (109,657)

Change in Net Position-Total Governmental Activities **\$ 148,117**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 17,845</u>
Total Assets	<u><u>\$ 17,845</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 17,845</u>
Total Liabilities	<u><u>\$ 17,845</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash in Bank	\$ 19,787	14,157	(16,099)	17,845
Total Assets	<u>\$ 19,787</u>	<u>14,157</u>	<u>(16,099)</u>	<u>17,845</u>
LIABILITIES				
Deposits Held for Others	\$ 19,787	14,157	(16,099)	17,845
Total Liabilities	<u>\$ 19,787</u>	<u>14,157</u>	<u>(16,099)</u>	<u>17,845</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Walatowa High Charter School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Walatowa High Charter School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Walatowa High Charter School utilizes the Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Leasehold Improvements	5 years

Capital assets for Walatowa High Charter School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined 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.

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	\$ 8,755	-	(6,000)	2,755
Leasehold improvements	-	16,101	-	16,101
<i>Total</i>	<u>8,755</u>	<u>16,101</u>	<u>(6,000)</u>	<u>18,856</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(8,755)	-	6,000	(2,755)
Leasehold improvements	-	(268)	-	(268)
<i>Total</i>	<u>(8,755)</u>	<u>(268)</u>	<u>6,000</u>	<u>(3,023)</u>
Capital Assets, Net	<u>\$ -</u>	<u>15,833</u>	<u>-</u>	<u>15,833</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following function:

Operation & Maintenance of Plant	\$ 268
Total	<u><u>\$ 268</u></u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

Walatowa High Charter School leases portable buildings under a cancellable operating lease. Rental expense for the year ended June 30, 2017 was \$45,206. Walatowa High Charter School’s minimum future payments on the lease for the year ending June 30, 2018 is \$43,071.

NOTE 4. RELATED PARTIES TRANSACTIONS

Walatowa High Charter School is located on the Pueblo of Jemez (the “Pueblo”). Walatowa High Charter School leases portable buildings from the Pueblo exclusively used for educational purposes. Additionally, Walatowa High Charter School hired a relative of the business manager to perform college preparatory services for the School.

NOTE 5. COMPENSATED ABSENCES

Walatowa High Charter School had a compensated absences balance of \$32,099 at the beginning of the fiscal year. Increases to the balance were \$3,104 which resulted in an ending balance of \$35,203. All of this balance is considered to be current.

NOTE 6. DEFICIT FUND BALANCE

The following funds had a deficit fund balance at June 30, 2017:

“Gear Up” NM Initiative (25205)	\$	566
2012 GO Bond (27107)		2,555
Indian Education Act Appropriation (27150)		1,634

Walatowa High Charter School is addressing the negative fund balance and is planning on taking the appropriate actions to eliminate the negative balance.

NOTE 7. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to Walatowa High Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees’ Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 7. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, Walatowa High Charter School paid employee and employer contributions of \$67,793 and \$71,190.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, Walatowa High Charter School reported a liability of \$1,290,321 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

Walatowa High Charter School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, Walatowa High Charter School’s proportion was 0.01793%, which was a decrease of 0.00007% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, Walatowa High Charter School recognized pension expense of \$177,843. As of June 30, 2017, Walatowa High Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 7. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,598	(12,273)
Changes in assumptions	26,266	-
Net difference between projected and actual earnings on pension plan investments	77,021	-
Changes in proportion and differences between the Walatowa High Charter School's contributions and proportionate share of contributions	78,120	(3,293)
The Walatowa High Charter School's contributions subsequent to the measurement date	<u>67,793</u>	<u>-</u>
Total	<u>\$ 254,798</u>	<u>(15,566)</u>

The amount of \$67,793 reported as deferred outflows of resources related to pensions resulting from Walatowa High Charter School contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 75,087
2019	42,016
2020	35,553
2021	<u>18,783</u>
Total	<u>\$ 171,439</u>

Sensitivity of Walatowa High Charter School's proportionate share of the net pension liability to changes in the discount rate. The following presents the Walatowa High Charter School proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Walatowa High Charter 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:

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Watatowa High Charter School
 Notes to the Financial Statements
 June 30, 2017

NOTE 7. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Watatowa High Charter School's proportionate share of the net pension liability	<u>\$ 1,709,000</u>	<u>1,290,321</u>	<u>942,935</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NMERB's financial reports. The reports can be found on NMERB's web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, Watatowa High Charter School did not owe ERB for fiscal year 2017 contributions.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	Fiscal Year	30-Jun		
		2017	2016	2015
	Measurement Date	2016	2015	2014
Walatowa High Charter School's Proportion of the Net Pension Liability (Asset)		0.01793%	0.01800%	0.01661%
Walatowa High Charter School's Proportionate Share of Net Pension Liability (Asset)	\$	1,290	1,166	948
Walatowa High Charter School's Covered-Employee Payroll	\$	491	491	458
Walatowa High Charter School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		262.59%	237.46%	207.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.58%	63.97%	66.54%

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Walatowa High Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ 60	71	68
Contributions in Relation to the Contractually Required Contribution	60	71	68
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for Walatowa High Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ 663,645	696,759	696,798	39
Federal Grant	-	70,743	214,871	144,128
Miscellaneous income	-	-	7,985	7,985
Total Revenues	<u>663,645</u>	<u>767,502</u>	<u>919,654</u>	<u>152,152</u>
EXPENDITURES				
Current:				
Instruction	480,442	514,299	323,579	190,720
Support Services:				
Students	-	14,691	14,689	2
General Administration	24,400	23,415	13,752	9,663
School Administration	276,011	167,408	141,282	26,126
Central Services	237,736	132,633	122,047	10,586
Operation & Maintenance of Plant	186,719	76,719	64,028	12,691
Student Transportation	132,055	22,055	613	21,442
Food Services Operations	171,786	161,786	41,417	120,369
Capital Outlay	-	500,000	-	500,000
Total Expenditures	<u>1,509,149</u>	<u>1,613,006</u>	<u>721,407</u>	<u>891,599</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(845,504)</u>	<u>(845,504)</u>	<u>198,247</u>	<u>1,043,751</u>
Other Financing Sources (Uses):				
Designated Cash	845,504	845,504	-	(845,504)
Total Other Financing Sources (Uses):	<u>845,504</u>	<u>845,504</u>	<u>-</u>	<u>(845,504)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>198,247</u>	<u>198,247</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,506,058</u>	<u>1,506,058</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,704,305</u>	<u>1,704,305</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 198,247	
Adjustments to Revenues			49,464	
Adjustments to Expenditures			(13,113)	
NET CHANGE IN FUND BALANCE			<u>\$ 234,598</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 2,782	2,658	3,658	1,000
Total Revenues	<u>2,782</u>	<u>2,658</u>	<u>3,658</u>	<u>1,000</u>
EXPENDITURES				
Current:				
Instruction	2,782	27,744	2,024	25,720
Total Expenditures	<u>2,782</u>	<u>27,744</u>	<u>2,024</u>	<u>25,720</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(25,086)</u>	<u>1,634</u>	<u>26,720</u>
Other Financing Sources (Uses):				
Designated Cash	-	25,086	-	(25,086)
Total Other Financing Sources (Uses):	<u>-</u>	<u>25,086</u>	<u>-</u>	<u>(25,086)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,634</u>	<u>1,634</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>25,086</u>	<u>25,086</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>26,720</u>	<u>26,720</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 1,634	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,634</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 42,030	42,030	32,812	(9,218)
Total Revenues	<u>42,030</u>	<u>42,030</u>	<u>32,812</u>	<u>(9,218)</u>
EXPENDITURES				
Current:				
Food Services Operations	57,736	57,736	30,962	26,774
Total Expenditures	<u>57,736</u>	<u>57,736</u>	<u>30,962</u>	<u>26,774</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(15,706)</u>	<u>(15,706)</u>	<u>1,850</u>	<u>17,556</u>
Other financing sources (uses):				
Designated Cash	15,706	15,706	-	(15,706)
Total other financing sources (uses):	<u>15,706</u>	<u>15,706</u>	<u>-</u>	<u>(15,706)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,850</u>	<u>1,850</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>18,862</u>	<u>18,862</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>20,712</u>	<u>20,712</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 1,850	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 1,850</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 12,889	43,868	16,653	(27,215)
Total Revenues	12,889	43,868	16,653	(27,215)
EXPENDITURES				
Current:				
Instruction	12,889	43,868	16,197	27,671
Total Expenditures	12,889	43,868	16,197	27,671
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	456	456
Net Changes in Fund Balances	-	-	456	456
Cash or Fund Balances - Beginning of Year	-	-	2,873	2,873
Cash or Fund Balances - End of Year	\$ -	-	3,329	3,329
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 456	
Adjustments to Revenues			(818)	
Adjustments to Expenditures			362	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	27,874	-	(27,874)
Total Revenues	-	27,874	-	(27,874)
EXPENDITURES				
Current:				
Instruction	-	27,874	-	27,874
Total Expenditures	-	27,874	-	27,874
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	3,188	3,188
Cash or Fund Balances - End of Year	\$ -	-	3,188	3,188
Reconciliation to GAAP Basis:				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title VII Indian Education 24155
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	4,400	-	(4,400)
Total Revenues	<u>-</u>	<u>4,400</u>	<u>-</u>	<u>(4,400)</u>
EXPENDITURES				
Current:				
Instruction	-	4,400	4,000	400
Total Expenditures	<u>-</u>	<u>4,400</u>	<u>4,000</u>	<u>400</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	(4,000)	(4,000)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,000)</u>	<u>(4,000)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>11,649</u>	<u>11,649</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>7,649</u>	<u>7,649</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ (4,000)	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (4,000)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
USHHS/CDC School Health 24186
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	2,130	3,544	1,414
Total Revenues	<u>-</u>	<u>2,130</u>	<u>3,544</u>	<u>1,414</u>
EXPENDITURES				
Current:				
Instruction	-	2,130	2,089	41
Total Expenditures	<u>-</u>	<u>2,130</u>	<u>2,089</u>	<u>41</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	1,455	1,455
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,455</u>	<u>1,455</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,455</u>	<u>1,455</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 1,455	
Adjustments to Revenues			(1,455)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Impact Aid Special Education 25145
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	34,709	3,032	(31,677)
Total Revenues	<u>-</u>	<u>34,709</u>	<u>3,032</u>	<u>(31,677)</u>
EXPENDITURES				
Current:				
Instruction	-	34,709	15,222	19,487
Total Expenditures	<u>-</u>	<u>34,709</u>	<u>15,222</u>	<u>19,487</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(12,190)</u>	<u>(12,190)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(12,190)</u>	<u>(12,190)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>36,878</u>	<u>36,878</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>24,688</u>	<u>24,688</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (12,190)	
Adjustments to Revenues			1,107	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (11,083)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Impact Aid Indian Education 25147
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	212,679	53,351	(159,328)
Total Revenues	<u>-</u>	<u>212,679</u>	<u>53,351</u>	<u>(159,328)</u>
EXPENDITURES				
Current:				
Instruction	-	107,914	50,259	57,655
Support Services:				
General Administration	-	2,174	2,174	-
School Administration	-	31,081	-	31,081
Central Services	-	38,255	335	37,920
Operation & Maintenance of Plant	-	33,255	-	33,255
Total Expenditures	<u>-</u>	<u>212,679</u>	<u>52,768</u>	<u>159,911</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	583	583
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>583</u>	<u>583</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>189,354</u>	<u>189,354</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>189,937</u>	<u>189,937</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 583	
Adjustments to Revenues			11,268	
Adjustments to Expenditures			(367)	
NET CHANGE IN FUND BALANCE			<u>\$ 11,484</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
"Gear Up" NM State Initiative 25205
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	-	-	2,500	2,500
Federal Grant	\$ 220,000	248,647	234,307	(14,340)
Total Revenues	220,000	248,647	236,807	(11,840)
EXPENDITURES				
Current:				
Instruction	151,581	178,595	137,425	41,170
Support Services:				
Students	12,191	11,102	9,596	1,506
Instruction	51,078	53,800	53,356	444
General Administration	200	200	-	200
School Administration	4,950	4,950	2,526	2,424
Total Expenditures	220,000	248,647	202,903	45,744
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	33,904	33,904
Net Changes in Fund Balances	-	-	33,904	33,904
Cash or Fund Balances - Beginning of Year	-	-	(1,292)	(1,292)
Cash or Fund Balances - End of Year	\$ -	-	32,612	32,612
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 33,904	
Adjustments to Revenues			(32,204)	
Adjustments to Expenditures			(974)	
NET CHANGE IN FUND BALANCE			\$ 726	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Center Native Education 26181
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES	\$ -	-	-	-
<i>Total Revenues</i>	-	-	-	-
EXPENDITURES				
Current:				
Operation & Maintenance of Plant	5,583	5,583	-	5,583
<i>Total Expenditures</i>	5,583	5,583	-	5,583
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(5,583)	(5,583)	-	5,583
Other financing sources (uses):				
Designated Cash	5,583	5,583	-	(5,583)
<i>Total other financing sources (uses):</i>	5,583	5,583	-	(5,583)
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	5,583	5,583
Cash or Fund Balances - End of Year	\$ -	-	5,583	5,583
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit 27103
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	961	961	-
Total Revenues	<u>-</u>	<u>961</u>	<u>961</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	-	961	961	-
Total Expenditures	<u>-</u>	<u>961</u>	<u>961</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
2012 GO Bond 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 3,151	3,151	1,563	(1,588)
Total Revenues	<u>3,151</u>	<u>3,151</u>	<u>1,563</u>	<u>(1,588)</u>
EXPENDITURES				
Support Services:				
Instruction	3,151	3,151	1,021	2,130
Total Expenditures	<u>3,151</u>	<u>3,151</u>	<u>1,021</u>	<u>2,130</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			542	542
Net Changes in Fund Balances			542	542
Cash or Fund Balances - Beginning of Year			(3,818)	(3,818)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,276)</u>	<u>(3,276)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 542	
Adjustments to Revenues			-	
Adjustments to Expenditures			1,021	
NET CHANGE IN FUND BALANCE			<u>\$ 1,563</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Indian Education Act Appropriation 27150
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	25,000	5,586	(19,414)
Total Revenues	<u>-</u>	<u>25,000</u>	<u>5,586</u>	<u>(19,414)</u>
EXPENDITURES				
Current:				
Instruction	-	12,620	11,363	1,257
Support Services:				
Students	-	12,380	11,971	409
Total Expenditures	<u>-</u>	<u>25,000</u>	<u>23,334</u>	<u>1,666</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(17,748)</u>	<u>(17,748)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(17,748)</u>	<u>(17,748)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,634)</u>	<u>(1,634)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(19,382)</u>	<u>(19,382)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (17,748)	
Adjustments to Revenues			17,748	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico GEAR Up 28178
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Total Expenditures	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	-	-	1,132	1,132
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,132</u>	<u>1,132</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grant 29102
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Miscellaneous income	\$ -	5,000	5,000	-
Total Revenues	-	5,000	5,000	-
EXPENDITURES				
Current:				
Instruction	798	5,798	2,240	3,558
Total Expenditures	798	5,798	2,240	3,558
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(798)</i>	<i>(798)</i>	<i>2,760</i>	<i>3,558</i>
Other financing sources (uses):				
Designated Cash	798	798	-	(798)
Total other financing sources (uses):	798	798	-	(798)
Net Changes in Fund Balances	-	-	2,760	2,760
Cash or Fund Balances - Beginning of Year	-	-	803	803
Cash or Fund Balances - End of Year	\$ -	-	3,563	3,563
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,760	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 2,760	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	38,285	49,053	10,768
Total Revenues	<u>-</u>	<u>38,285</u>	<u>49,053</u>	<u>10,768</u>
EXPENDITURES				
Capital Outlay	-	38,285	38,285	-
Total Expenditures	<u>-</u>	<u>38,285</u>	<u>38,285</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	10,768	10,768
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>10,768</u>	<u>10,768</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>10,768</u>	<u>10,768</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 10,768	
Adjustments to Revenues			(10,768)	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay Federal 31500
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ -	5,513	5,513	-
Total Revenues	-	5,513	5,513	-
EXPENDITURES				
Capital Outlay	-	5,513	-	5,513
Total Expenditures	-	5,513	-	5,513
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	5,513	5,513
Net Changes in Fund Balances	-	-	5,513	5,513
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	5,513	5,513
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 5,513	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 5,513	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017**

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
US Bank National Association	FNMA Pool	31419LKM4	11/1/2025	\$ 605,832
US Bank National Association	FHLMC Gold Pool	3128KRMCS	11/1/2036	766,739
US Bank National Association	FHLMC Gold Pool	3128PRLP2	5/1/2025	1,547,009
				<u>\$ 2,919,580</u>

Total Cash per Schedule of Cash Accounts: \$ 2,025,305
Less: FDIC coverage: (250,000)
Uninsured Public Funds: 1,775,305

Collateral Requirement: 887,653
Pledged Collateral Held by Pledging Financial Institution: 2,919,580

Balance Over Collateralized: \$ 2,031,927

Balance Uninsured and Uncollateralized at June 30, 2017: \$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>US Bank</u>
Checking - Operational Account	<u>\$ 2,025,305</u>
<i>Total on Deposit</i>	2,025,305
Reconciling Items	<u>(89,786)</u>
Reconciled Balance June 30, 2017	1,935,519
Less: Agency Funds	<u>(17,845)</u>
<i>Total Cash</i>	<u><u>\$ 1,917,674</u></u>

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Cash Reconciliation
June 30, 2017**

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000
Cash, June 30, 2016	\$ 1,386,134	25,086	18,862	19,787
Add:				
2016-17 revenues	<u>919,654</u>	<u>3,658</u>	<u>32,812</u>	<u>14,157</u>
Total Cash Available	2,305,788	28,744	51,674	33,944
Less:				
2016-17 expenditures	(721,407)	(2,024)	(30,962)	(16,099)
Receivables/Payables	3,984	-	-	-
Outstanding Loans	<u>(79,226)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2017	<u>1,509,139</u>	<u>26,720</u>	<u>20,712</u>	<u>17,845</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>113,892</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Per Books	<u>1,623,031</u>	<u>26,720</u>	<u>20,712</u>	<u>17,845</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>117,625</u>	<u>-</u>	<u>-</u>	<u>(17,845)</u>
Fund Balance, Modified Accrual Basis	<u>\$ 1,740,656</u>	<u>26,720</u>	<u>20,712</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	Federal Direct 25000	Local Grants 26000	State Account 27000	State Direct Account 28000	Private 29000
19,590	226,232	5,583	705	1,132	803
20,197	293,190	-	8,110	-	5,000
39,787	519,422	5,583	8,815	1,132	5,803
(22,286)	(270,893)	-	25,316	-	(2,240)
11	719	-	1	-	-
3,530	48,474	-	27,222	-	-
21,042	297,722	5,583	61,354	1,132	3,563
(10,205)	(83,455)	-	(61,354)	-	-
10,837	214,267	5,583	-	1,132	3,563
2,873	11,800	-	(3,889)	-	-
13,710	226,067	5,583	(3,889)	1,132	3,563

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Cash Reconciliation - (Continued)
June 30, 2017**

	Public School Capital Outlay 31200	Special Capital Outlay Federal 31500	SB-9 Capital Improvements 31700	Total
Cash, June 30, 2016	\$ -	6,316	-	1,710,230
Add:				
2016-17 revenues	49,053	5,513	-	1,351,344
Total Cash Available	49,053	11,829	-	3,061,574
Less:				
2016-17 expenditures	(38,285)	-	-	(1,078,880)
Receivables/Payables	-	-	-	4,715
Outstanding Loans	-	-	-	-
Cash June 30, 2017	10,768	11,829	-	1,987,409
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	(10,768)	-	-	(51,890)
Cash Per Books	-	11,829	-	1,935,519
			Less: Agency Fund	(17,845)
				<u>\$ 1,917,674</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	-	-	-	110,564
Fund Balance, Modified Accrual Basis	\$ -	11,829	-	2,046,083

The accompanying notes are an integral part of these financial statements

WILLIAM W. & JOSEPHINE DORN CHARTER COMMUNITY SCHOOL

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Statement of Net Position
June 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Current Assets:

Cash and Cash Equivalents	\$ 62,524
Receivables	
Due from Government	41,343
Total Current Assets	<u>103,867</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	27,125
Less: Accumulated Depreciation	<u>(27,125)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>103,867</u>

Deferred Outflows - Pension Related	231,807
Total deferred outflows	<u>231,807</u>

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Accounts Payable	651
Accrued Expenses	<u>46,382</u>
Total Current Liabilities	<u>47,033</u>

Noncurrent Liabilities:

Net Pension Liability	<u>684,381</u>
Total Noncurrent Liabilities	<u>684,381</u>
Total Liabilities	<u>731,414</u>

Deferred Inflows - Pension Related	6,509
Total deferred inflows	<u>6,509</u>

NET POSITION (DEFICIT)

Restricted	37,192
Unrestricted (Deficit)	<u>(439,441)</u>
Total Net Position (Deficit)	<u>\$ (402,249)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Statement of Activities
For The Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 333,401	-	89,630	-	(243,771)
Support Services:					
Students	13,430	-	9,583	-	(3,847)
Instruction	3,492	-	3,132	-	(360)
General Administration	12,998	-	-	-	(12,998)
School Administration	165,671	-	-	-	(165,671)
Central Services	82,952	-	-	-	(82,952)
Operation & Maintenance of Plant	54,026	-	-	-	(54,026)
Food Services Operations	54,775	-	32,929	-	(21,846)
Facilities Materials, Supplies & Other Services	34,304	-	-	63,953	29,649
Total Governmental Activities	\$ 755,049	-	135,274	63,953	(555,822)
General Revenues:					
State Equalization Guarantee					\$ 444,435
Miscellaneous					500
Total General Revenues					<u>444,935</u>
Change in Net Position					(110,887)
Net Position (Deficit), Beginning					<u>(291,362)</u>
Net Position (Deficit), Ending					<u>\$ (402,249)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Balance Sheets - Governmental Funds
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 25,332	7,505	-	-
Accounts Receivable				
Due from Government	-	-	3,789	10,368
Due from Other Funds	29,292	-	-	-
Total Assets	\$ 54,624	7,505	3,789	10,368
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 651	-	-	-
Accrued Expenditures	34,331	-	-	6,549
Due to Other Funds	-	-	3,789	3,819
Total Liabilities	34,982	-	3,789	10,368
Fund Balances				
Restricted for:				
Instruction	-	7,505	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	19,642	-	-	-
Total Fund Balance	19,642	7,505	-	-
Total Liabilities and Fund Balances	\$ 54,624	7,505	3,789	10,368

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher/Principal Training & Recruiting 24154	Literacy for Children 27107	K-3 Plus 27166	After School Enrichment 27168	Public School Capital Outlay 31200
-	-	-	-	38	-
2,082	2,738	3,132	19,234	-	-
-	-	-	-	-	-
<u>2,082</u>	<u>2,738</u>	<u>3,132</u>	<u>19,234</u>	<u>38</u>	<u>-</u>
-	-	-	-	-	-
76	427	-	4,999	-	-
2,006	2,311	3,132	14,235	-	-
<u>2,082</u>	<u>2,738</u>	<u>3,132</u>	<u>19,234</u>	<u>-</u>	<u>-</u>
-	-	-	-	38	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	38	-
<u>2,082</u>	<u>2,738</u>	<u>3,132</u>	<u>19,234</u>	<u>38</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Balance Sheets - Governmental Funds - (Continued)
June 30, 2017

	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Total
ASSETS			
Cash and Cash Equivalents	\$ 29,649	-	62,524
Accounts Receivable			
Due from Government	-	-	41,343
Due from Other Funds	-	-	29,292
Total Assets	\$ 29,649	-	133,159
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	-	651
Accrued Expenditures	-	-	46,382
Due to Other Funds	-	-	29,292
Total Liabilities	-	-	76,325
Fund Balances			
Restricted for:			
Instruction	-	-	7,543
Capital Improvements	29,649	-	29,649
Assigned to:			
Subsequent Years Expenditures and Other Programs	-	-	19,642
Total Fund Balance	29,649	-	56,834
Total Liabilities and Fund Balances	\$ 29,649	-	133,159

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund Balances - Total Governmental Funds **\$ 56,834**

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

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

Capital Assets	27,125	
Accumulated Depreciation	<u>(27,125)</u>	-

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds		231,807
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Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds		(6,509)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		<u>(684,381)</u>
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Net Position (Deficit)-Total Governmental Activities		<u><u>\$ (402,249)</u></u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
REVENUES				
State Grant	\$ 444,435	2,913	-	-
Federal Grant	-	-	32,929	53,023
Miscellaneous Income	500	-	-	-
Total Revenues	444,935	2,913	32,929	53,023
EXPENDITURES				
Current:				
Instruction	186,770	-	-	53,023
Support Services:				
Students	6,760	-	-	-
Instruction	360	-	-	-
General Administration	12,998	-	-	-
School Administration	124,613	-	-	-
Central Services	82,952	-	-	-
Operation & Maintenance of Plant	52,731	-	-	-
Food Services Operations	15,325	-	32,929	-
Capital Outlay	-	-	-	-
Total Expenditures	482,509	-	32,929	53,023
Net Changes in Fund Balances	(37,574)	2,913	-	-
Fund Balances - Beginning of Year	57,216	4,592	-	-
Fund Balances - End of Year	\$ 19,642	7,505	-	-

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Teacher/Principal Training & Recruiting 24154	Literacy for Children 27107	K-3 Plus 27166	After School Enrichment 27168	Public School Capital Outlay 31200
-	-	3,132	33,831	38	32,763
6,670	2,738	-	-	-	-
-	-	-	-	-	-
<u>6,670</u>	<u>2,738</u>	<u>3,132</u>	<u>33,831</u>	<u>38</u>	<u>32,763</u>
-	2,738	-	23,010	-	-
6,670	-	-	-	-	-
-	-	3,132	-	-	-
-	-	-	-	-	-
-	-	-	7,604	-	-
-	-	-	-	-	-
-	-	-	1,295	-	-
-	-	-	1,922	-	-
-	-	-	-	-	32,763
<u>6,670</u>	<u>2,738</u>	<u>3,132</u>	<u>33,831</u>	<u>-</u>	<u>32,763</u>
-	-	-	-	38	-
-	-	-	-	-	-
-	-	-	-	38	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances - (Continued)
Governmental Funds
For The Year Ended June 30, 2017

	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Total
REVENUES			
State Grant	\$ 29,649	1,541	548,302
Federal Grant	-	-	95,360
Miscellaneous Income	-	-	500
Total Revenues	<u>29,649</u>	<u>1,541</u>	<u>644,162</u>
EXPENDITURES			
Current:			
Instruction	-	-	265,541
Support Services:			
Students	-	-	13,430
Instruction	-	-	3,492
General Administration	-	-	12,998
School Administration	-	-	132,217
Central Services	-	-	82,952
Operation & Maintenance of Plant	-	-	54,026
Food Services Operations	-	-	50,176
Capital Outlay	-	1,541	34,304
Total Expenditures	<u>-</u>	<u>1,541</u>	<u>649,136</u>
Net Changes in Fund Balances	<u>29,649</u>	<u>-</u>	<u>(4,974)</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>61,808</u>
Fund Balances - End of Year	<u>\$ 29,649</u>	<u>-</u>	<u>56,834</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017**

Net Change in Fund Balances-Total Governmental Funds **\$ (4,974)**

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

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
capital outlay exceeds depreciation for the period

Depreciation Expense (5,425)

Changes in deferred outflows of resources-pension related,
deferred inflows of resources-pension related, and the net
pension liability (100,488)

Change in Net Position-Total Governmental Activities **\$ (110,887)**

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. William W. & Josephine Dorn Charter School's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The William W. & Josephine Dorn Charter School does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. William W. & Josephine Dorn Charter School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
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Capital assets for William W. & Josephine Dorn Charter School are recorded in the Statement of Net Position.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the New Mexico Educational Retirement Board (ERB) and additions to/deductions from ERB's Fiduciary Net Position have been determined on the economic resources measurement focus and the 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.

NOTE 2. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 27,125	-	-	27,125
<i>Total</i>	<u>27,125</u>	<u>-</u>	<u>-</u>	<u>27,125</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(21,700)	(5,425)	-	(27,125)
<i>Total</i>	<u>(21,700)</u>	<u>(5,425)</u>	<u>-</u>	<u>(27,125)</u>
Capital Assets, Net	<u>\$ 5,425</u>	<u>(5,425)</u>	<u>-</u>	<u>-</u>

Depreciation expense for the year ended June 30, 2017 was expensed to the following function:

Instruction	<u>\$ 5,425</u>
Total	<u>\$ 5,425</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 3. COMMITMENTS AND LIABILITIES

The William W. & Josephine Dorn Charter School leased equipment and facilities under long-term cancelable operating leases. Rental expenses for the year ended June 30, 2017 was \$47,192. The William W. & Josephine Dorn Charter School's minimum future payments on this lease are as follows:

Year Ending June 30:	
2018	\$ 51,600
Total	<u>\$ 51,600</u>

NOTE 4. RELATED PARTY TRANSACTIONS

The son of the William W. & Josephine Dorn Charter School principal is employed as a teacher at the school.

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to William W. & Josephine Dorn Charter School and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

Contributions. For the fiscal year ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase over Prior Year
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7/1/15 to 6/30/16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7/1/15 to 6/30/16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are estimated in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2017 and 2016, William W. & Josephine Dorn Charter School paid employee and employer contributions of \$38,681 and \$37,707.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Notes to the Financial Statements
June 30, 2017**

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, William W. & Josephine Dorn Charter School reported a liability of \$684,381 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016.

William W. & Josephine Dorn Charter School’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2016. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, William W. & Josephine Dorn Charter School’s proportion was 0.00951%, which was an increase of 0.00153% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, William W. & Josephine Dorn Charter School recognized pension expense of \$139,371. As of June 30, 2017, William W. & Josephine Dorn Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,969	(6,509)
Changes in assumptions	13,931	-
Net difference between projected and actual earnings on pension plan investments	40,852	-
Changes in proportion and differences between the William W. & Josephine Dorn Charter School’s contributions and proportionate share of contributions	135,374	-
William W. & Josephine Dorn Charter School’s contributions subsequent to the measurement date	<u>38,681</u>	<u>-</u>
Total	<u>\$ 231,807</u>	<u>(6,509)</u>

The amount of \$38,681 reported as deferred outflows of resources related to pensions resulting from William W. & Josephine Dorn Charter School contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Notes to the Financial Statements
June 30, 2017

NOTE 5. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Year ended June 30:	
2018	\$ 83,321
2019	53,981
2020	39,354
2021	<u>9,961</u>
Total	<u>\$ 186,617</u>

Sensitivity of William W. & Josephine Dorn Charter School’s proportionate share of the net pension liability to changes in the discount rate. The following presents the William W. & Josephine Dorn Charter Schools proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the William W. & Josephine Dorn Charter 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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
William W. & Josephine Dorn Charter School proportionate share of the net pension liability	<u>\$ 906,447</u>	<u>684,381</u>	<u>500,129</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at www.nmerb.org/Annual_reports.html.

Payables to the pension plan. At June 30, 2017, William W. & Josephine Dorn Charter School owed \$11,376 to ERB for fiscal year 2017 contributions.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of the School's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

For Last 10 Fiscal Years*

(Dollars in Thousands)

	30-Jun			
	Fiscal Year	2017	2016	2015
Measurement Date	2016	2015	2014	
William W. & Josephine Dorn Charter School's Proportion of the Net Pension Liability (Asset)	0.0095%	0.008%	0.690%	
William W. & Josephine Dorn Charter School's Proportionate Share of Net Pension Liability (Asset)	\$ 684	517	394	
William W. & Josephine Dorn Charter School's Covered-Employee Payroll	\$ 261	218	190	
William W. & Josephine Dorn Charter School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	262.59%	237.23%	207.16%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.58%	63.97%	66.54%	

**Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for William W. & Josephine Dorn Charter Community School is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of School Contributions
June 30, 2017**

New Mexico Educational Retirement Board Pension Plan

Last Ten Fiscal Years*

(Dollars in Thousands)

	2015	2016	2017
Contractually Required Contribution	\$ 25	32	39
Contributions in Relation to the Contractually Required Contribution	25	32	39
Annual contribution deficiency (excess)	\$ -	-	-

**Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for William W. & Josephine Dorn Charter School is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 439,311	444,435	444,435	-
Miscellaneous	-	500	500	-
Total Revenues	439,311	444,935	444,935	-
Current:				
Instruction	174,536	197,906	186,921	10,985
Support Services:				
Students	3,718	8,388	6,126	2,262
Instruction	1,500	1,000	360	640
General Administration	14,500	13,499	12,998	501
School Administration	132,116	126,663	124,445	2,218
Central Services	83,050	84,565	83,663	902
Operation & Maintenance of Plant	61,500	54,016	52,731	1,285
Food Services Operations	13,391	16,825	15,519	1,306
Total Expenditures	484,311	502,862	482,763	20,099
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(45,000)</i>	<i>(57,927)</i>	<i>(37,828)</i>	<i>20,099</i>
Other Financing Sources (Uses):				
Designated Cash	45,000	57,927	-	(57,927)
Total Other Financing Sources (Uses):	45,000	57,927	-	(57,927)
Net Changes in Fund Balances	-	-	(37,828)	(37,828)
Cash or Fund Balances - Beginning of Year	-	-	57,216	57,216
Cash or Fund Balances - End of Year	\$ -	-	19,388	19,388
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (37,828)	
Adjustments to Expenditures			254	
NET CHANGE IN FUND BALANCE			\$ (37,574)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 2,497	2,192	2,913	721
Total Revenues	2,497	2,192	2,913	721
EXPENDITURES				
Current:				
Instruction	6,701	6,396	-	6,396
Total Expenditures	6,701	6,396	-	6,396
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(4,204)</i>	<i>(4,204)</i>	<i>2,913</i>	<i>7,117</i>
Other Financing Sources (Uses):				
Designated Cash	4,204	4,204	-	(4,204)
Total Other Financing Sources (Uses):	4,204	4,204	-	(4,204)
Net Changes in Fund Balances	-	-	2,913	2,913
Cash or Fund Balances - Beginning of Year	-	-	4,592	4,592
Cash or Fund Balances - End of Year	\$ -	-	7,505	7,505
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,913	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 2,913	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 42,000	42,000	29,139	(12,861)
Total Revenues	<u>42,000</u>	<u>42,000</u>	<u>29,139</u>	<u>(12,861)</u>
EXPENDITURES				
Current:				
Food Services Operations	42,000	45,454	36,383	9,071
Total Expenditures	<u>42,000</u>	<u>45,454</u>	<u>36,383</u>	<u>9,071</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(3,454)</u>	<u>(7,244)</u>	<u>(3,790)</u>
Other Financing Sources (Uses):				
Designated Cash	-	3,454	-	(3,454)
Total Other Financing Sources (Uses):	<u>-</u>	<u>3,454</u>	<u>-</u>	<u>(3,454)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(7,244)</u>	<u>(7,244)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(7,244)</u>	<u>(7,244)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (7,244)	
Adjustments to Revenues			3,790	
Adjustments to Expenditures			<u>3,454</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ 19,113	53,023	42,655	(10,368)
Total Revenues	<u>19,113</u>	<u>53,023</u>	<u>42,655</u>	<u>(10,368)</u>
EXPENDITURES				
Current:				
Instruction	19,113	53,023	53,023	-
Total Expenditures	<u>19,113</u>	<u>53,023</u>	<u>53,023</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(10,368)	(10,368)
Net Changes in Fund Balances	-	-	(10,368)	(10,368)
Cash or Fund Balances - Beginning of Year	-	-	-	11,130
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(10,368)</u>	<u>762</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (10,368)	
Adjustments to Revenues			10,368	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Federal Grant	\$ 7,932	10,640	4,588	(6,052)
Total Revenues	<u>7,932</u>	<u>10,640</u>	<u>4,588</u>	<u>(6,052)</u>
EXPENDITURES				
Current:				
Support Services:				
Students	7,932	10,640	6,670	3,970
Total Expenditures	<u>7,932</u>	<u>10,640</u>	<u>6,670</u>	<u>3,970</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(2,082)	(2,082)
Net Changes in Fund Balances	-	-	(2,082)	(2,082)
Cash or Fund Balances - Beginning of Year	-	-	-	5,355
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,082)</u>	<u>3,273</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (2,082)	
Adjustments to Revenues			<u>2,082</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher/Principal Training & Recruiting 24154
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Federal Grant	\$ -	7,422	2,738	(4,684)
Total Revenues	<u>-</u>	<u>7,422</u>	<u>2,738</u>	<u>(4,684)</u>
EXPENDITURES				
Current:				
Instruction	-	7,422	-	7,422
Total expenditures	<u>-</u>	<u>7,422</u>	<u>-</u>	<u>7,422</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	2,738	2,738
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,738</u>	<u>2,738</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,738</u>	<u>2,738</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 2,738	
Adjustments to Expenditures			<u>(2,738)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Literacy for Children 27107
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 3,132	3,132	-	(3,132)
Total Revenues	<u>3,132</u>	<u>3,132</u>	<u>-</u>	<u>(3,132)</u>
EXPENDITURES				
Current:				
Support Services:				
Instruction	3,132	3,132	3,132	-
Total Expenditures	<u>3,132</u>	<u>3,132</u>	<u>3,132</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,132)</u>	<u>(3,132)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,132)</u>	<u>(3,132)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,132)</u>	<u>(3,132)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,132)	
Adjustments to Revenues			3,132	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
K-3 Plus 27166
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
State Grant	\$ -	38,356	14,596	(23,760)
Total Revenues	<u>-</u>	<u>38,356</u>	<u>14,596</u>	<u>(23,760)</u>
EXPENDITURES				
Current:				
Instruction	-	26,321	23,010	3,311
Support Services:				
School Administration	-	8,720	7,604	1,116
Operation & Maintenance of Plant	-	1,296	1,295	1
Food Services Operations	-	2,019	1,922	97
Total Expenditures	<u>-</u>	<u>38,356</u>	<u>33,831</u>	<u>4,525</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(19,235)</u>	<u>(19,235)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(19,235)</u>	<u>(19,235)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(19,235)</u>	<u>(19,235)</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (19,235)	
Adjustments to Revenues			19,235	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
After School Enrichment 27168
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES	\$ -	-	-	-
<i>Total Revenues</i>	-	-	-	-
EXPENDITURES				
<i>Total Expenditures</i>	-	-	-	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			38	
NET CHANGE IN FUND BALANCE			\$ 38	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	32,763	32,763	-
Total Revenues	-	32,763	32,763	-
EXPENDITURES				
Capital Outlay	-	32,763	32,763	-
Total Expenditures	-	32,763	32,763	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ -	30,473	29,649	(824)
Total Revenues	-	30,473	29,649	(824)
EXPENDITURES				
Capital Outlay	-	30,473	-	30,473
Total Expenditures	-	30,473	-	30,473
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	29,649	29,649
Net Changes in Fund Balances	-	-	29,649	29,649
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	29,649	29,649
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 29,649	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ 29,649	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 31700
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
State Grant	\$ 2,446	3,576	1,541	(2,035)
Total Revenues	<u>2,446</u>	<u>3,576</u>	<u>1,541</u>	<u>(2,035)</u>
EXPENDITURES				
Capital Outlay	2,446	3,576	1,541	2,035
Total Expenditures	<u>2,446</u>	<u>3,576</u>	<u>1,541</u>	<u>2,035</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2017

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2017</u>
N / A	N / A	N / A	N / A	\$ -
				-
				-
				<u>\$ -</u>

Total Cash per Schedule of Cash Accounts:	\$	67,965
Less: FDIC coverage:		<u>(67,965)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		<u>-</u>
Balance Over Collateralized:	\$	<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2017:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Cash Accounts
June 30, 2017

<u>Bank Account Type</u>	<u>US Bank</u>
Checking - Operational Account	<u>\$ 67,965</u>
<i>Total on Deposit</i>	67,965
Reconciling Items	<u>(5,441)</u>
Reconciled Balance June 30, 2017	<u>62,524</u>
<i>Total Cash</i>	<u><u>\$ 62,524</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Cash Reconciliation
June 30, 2017

	Operational 11000	Instructional Materials 14000	Food Services 21000	Federal Projects Account 24000
Cash, June 30, 2016	\$ 35,913	4,592	3,454	-
Add:				
2016-17 revenues	444,935	2,913	29,139	49,981
Total Cash Available	480,848	7,505	32,593	49,981
Less:				
2016-17 expenditures	(482,763)	-	(36,383)	(59,693)
Receivables/Payables	34,331	-	-	7,052
Outstanding Loans	(29,292)	-	3,789	8,136
Cash June 30, 2017	3,124	7,505	(1)	5,476
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	22,208	-	1	(5,476)
Cash Per Books	25,332	7,505	-	-
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(5,690)	-	-	-
Fund Balance, Modified Accrual Basis	\$ 19,642	7,505	-	-

The accompanying notes are an integral part of these financial statements

State Account 27000	Public School Capital Outlay 31200	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Total
3,400	-	-	-	47,359
14,596	32,763	29,649	1,541	605,517
17,996	32,763	29,649	1,541	652,876
(36,963)	(32,763)	-	(1,541)	(650,106)
4,999	-	-	-	46,382
17,367	-	-	-	-
3,399	-	29,649	-	49,152
(3,361)	-	-	-	13,372
38	-	29,649	-	\$ 62,524
-	-	-	-	(5,690)
38	-	29,649	-	\$ 56,834