

STATE OF NEW MEXICO
**CUBA INDEPENDENT SCHOOL
DISTRICT NO. 62**

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2016
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



ACCOUNTING & FINANCIAL
SOLUTIONS
CERTIFIED PUBLIC ACCOUNTANTS

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

OFFICIAL ROSTER
June 30, 2016

BOARD OF EDUCATION

Dianna Maestas	President
Pamela Cayaditto	Vice President
Vivian Keetso	Secretary
Taylor Pinto	Member
Dr. Carl Stern	Member

SCHOOL OFFICIALS

Tony Archuleta	Superintendent
Rhiannon Chavez	Business Manager

AUDIT COMMITTEE

Dr. Carl Stern	Member
Dianna Maestas	Member
Brian Velarde	Member
Martin Herrera	Member
Jennifer Gauna-Casaus	Member
Tony Archuleta	Superintendent
Rhiannon Chavez	Business Manager

FINANCE COMMITTEE

Dr. Carl Stern	Member
Dianna Maestas	Member
Brian Velarde	Member
Martin Herrera	Member
Jennifer Gauna-Casaus	Member
Tony Archuleta	Superintendent
Rhiannon Chavez	Business Manager

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FINANCIAL SECTION
FISCAL YEAR 2016
JULY 1, 2015 THROUGH JUNE 30, 2016

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INDEPENDENT AUDITORS' REPORT

Tim Keller, State Auditor,
The Board of Education, and
The Audit Committee of Cuba Independent School District No. 62

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Cuba Independent School District No. 62, as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise Cuba Independent School District No. 62's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Cuba Independent School District No. 62's nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Cuba Independent School District No. 62's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cuba Independent School District No. 62, as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental of Cuba Independent School District No. 62 as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Tim Keller, State Auditor,
The Board of Education, and
The Audit Committee of Cuba Independent School District No. 62

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on Cuba Independent School District No. 62's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2016 on our consideration of the Cuba Independent School District No. 62'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 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 Cuba Independent School District No. 62's internal control over financial reporting and compliance.

Accounting & Financial Solutions, LLC
Farmington, New Mexico
September 16, 2016

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

STATEMENT OF NET POSITION
June 30, 2016

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 4,096,100
Receivables:	
Delinquent property taxes receivable	159,671
Grant	455,458
Other receivables	1,594
Due from other governments	32,501
Food inventory	13,878
Non-current:	
Non-depreciable assets	63,000
Depreciable capital assets, net	<u>23,275,066</u>
Total Assets	<u>28,097,268</u>
Deferred Outflows of Resources:	
Contributions to pension subsequent to the measurement date	638,184
Net difference between projected and actual investment earnings on plan investments	544,564
Net change in pension assumptions	<u>337,145</u>
Total Deferred Outflows of Resources	<u>1,519,893</u>
Liabilities	
Accounts payable	24,311
Compensated absences	56,156
Rental deposits	2,450
Long-term liabilities other than pensions:	
Due within one year	780,000
Due in more than one year	3,695,000
Aggregate net pension liability	<u>9,802,047</u>
Total Liabilities	<u>14,359,964</u>
Deferred Inflows of Resources	
Advances of federal, state, and local grants	23,187
Difference between expected and actual experience	184,480
Net difference between projected and actual investment earnings on plan investments	742,583
Net change in proportionate share of pension liability	<u>406,184</u>
Total Deferred Inflows of Resources	<u>1,356,434</u>
Net Position	
Net investment in capital assets	18,983,095
Restricted for:	
Inventories	13,878
Special revenue funds	400,488
Capital projects	923,534
Debt service	2,049,931
Unrestricted	<u>(8,470,163)</u>
Total Net Position	<u>\$ 13,900,763</u>

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

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

GOVERNMENTAL FUNDS

Balance Sheet
June 30, 2016

	General Fund	Title I Fund #24101	Entitlement IDEA-B Fund #24106	Bond Building Fund #31100
Assets				
Cash and cash equivalents	\$ 762,242	\$ -	\$ -	\$ 638,012
Receivables:				
Property taxes	5,316	-	-	-
Grant	-	185,707	100,750	-
Other receivables	1,594	-	-	-
Due from other governments	1,198	-	-	-
Due from other funds	450,020	-	-	-
Food inventory	-	-	-	-
Total assets	<u>\$ 1,220,370</u>	<u>\$ 185,707</u>	<u>\$ 100,750</u>	<u>\$ 638,012</u>
 Liabilities, deferred inflows, and fund balance				
Liabilities:				
Accounts payable	\$ 12,707	\$ -	\$ -	\$ 4,453
Due to other funds	-	185,707	100,750	-
Rental deposits	<u>2,450</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>15,157</u>	<u>185,707</u>	<u>100,750</u>	<u>4,453</u>
 Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>3,819</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>3,819</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	633,559
Debt service	-	-	-	-
Committed	651,000	-	-	-
Unassigned	<u>550,394</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>1,201,394</u>	<u>-</u>	<u>-</u>	<u>633,559</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,220,370</u>	<u>\$ 185,707</u>	<u>\$ 100,750</u>	<u>\$ 638,012</u>

(cont'd; 1 of 2)

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

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

GOVERNMENTAL FUNDS

Balance Sheet
June 30, 2016

	Capital Improvements SB-9 <u>Fund #31700</u>	Debt Service <u>Fund #41000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assets				
Cash and cash equivalents	\$ 278,552	\$ 1,937,934	\$ 479,360	\$ 4,096,100
Receivables:				
Property taxes	25,256	129,099	-	159,671
Grant	-	-	169,001	455,458
Other receivables	-	-	-	1,594
Due from other governments	5,149	26,154	-	32,501
Due from other funds	-	-	-	450,020
Food inventory	-	-	<u>13,878</u>	<u>13,878</u>
Total assets	<u>\$ 308,957</u>	<u>\$ 2,093,187</u>	<u>\$ 662,239</u>	<u>\$ 5,209,222</u>
 Liabilities, deferred inflows, and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 7,151	\$ 24,311
Due to other funds	-	-	163,563	450,020
Rental deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,450</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>170,714</u>	<u>476,781</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	23,187	23,187
Delinquent property taxes	<u>18,983</u>	<u>97,227</u>	<u>-</u>	<u>120,029</u>
Total deferred inflows of resources	<u>18,983</u>	<u>97,227</u>	<u>23,187</u>	<u>143,216</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	13,878	13,878
Restricted for:				
Special revenue funds	-	-	400,488	400,488
Capital projects funds	289,974	-	1	923,534
Debt service	-	1,995,960	53,971	2,049,931
Committed	-	-	-	651,000
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,394</u>
Total fund balance	<u>289,974</u>	<u>1,995,960</u>	<u>468,338</u>	<u>4,589,225</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 308,957</u>	<u>\$ 2,093,187</u>	<u>\$ 662,239</u>	<u>\$ 5,209,222</u>

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

RECONCILIATION OF THE BALANCE SHEET - ALL GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
June 30, 2016

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

Fund balances - total governmental funds	\$	4,589,225
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		37,971,651
Accumulated depreciation		(14,633,585)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		120,029
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Contributions to pension subsequent to the measurement date		638,184
Net difference between projected and actual investment earnings on plan investments		544,564
Net change in pension assumptions		337,145
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Bonds payable		(4,475,000)
Accrued vacation payable		(56,156)
Net pension liability		(9,802,047)
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Difference between expected and actual experience		(184,480)
Net difference between projected and actual investment earnings on plan investments		(742,583)
Net change in proportionate share of pension liability		<u>(406,184)</u>
Net position of governmental activities	\$	<u><u>13,900,763</u></u>

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2016

	General <u>Fund</u>	Title I <u>Fund #24101</u>	Entitlement IDEA-B <u>Fund #24106</u>	Bond Building <u>Fund #31100</u>
Revenues:				
Taxes:				
Property	\$ 30,905	\$ -	\$ -	\$ -
Oil and gas	26,008	-	-	-
Intergovernmental - federal grants	841,968	679,492	201,699	-
Intergovernmental - state grants	5,614,855	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	61,794	-	-	-
Investment and interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,428</u>
Total revenues	<u>6,575,530</u>	<u>679,492</u>	<u>201,699</u>	<u>1,428</u>
Expenditures:				
Current:				
Instruction	2,876,283	400,773	75,556	-
Support services:				
Students	726,556	217,973	30,242	-
Instruction	107,812	-	-	-
General Administration	263,356	47,085	38,467	-
School Administration	443,140	13,661	42,678	-
Central Services	442,113	-	-	-
Operation & Maintenance of Plant	1,055,546	-	-	-
Student transportation	610,320	-	14,756	-
Other Support services	2,237	-	-	176
Food services operations	-	-	-	-
Community services	18,665	-	-	-
Capital outlay	201,704	-	-	522,446
Debt service:				
Principal retirement	-	-	-	-
Bond interest paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>6,747,732</u>	<u>679,492</u>	<u>201,699</u>	<u>522,622</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(172,202)</u>	<u>-</u>	<u>-</u>	<u>(521,194)</u>
Other financing sources and financing uses:				
Transfers in	-	-	-	-
Transfers out	(79,134)	-	-	-
Refunds	<u>(8,823)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and financing uses	<u>(87,957)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	(260,159)	-	-	(521,194)
Fund balance at beginning of the year	<u>1,461,553</u>	<u>-</u>	<u>-</u>	<u>1,154,753</u>
Fund balance at end of the year	<u>\$ 1,201,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 633,559</u>

(cont'd; 1 of 2)

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

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2016

	Capital Improvements SB-9 <u>Fund #31700</u>	Debt Service <u>Fund #41000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:				
Taxes:				
Property	\$ 138,707	\$ 704,329	\$ 15	\$ 873,956
Oil and gas	104,030	529,054	-	659,092
Intergovernmental - federal grants	-	-	910,103	2,633,262
Intergovernmental - state grants	21,559	-	345,821	5,982,235
Contributions - private grants	-	-	46,409	46,409
Charges for services	-	-	59,463	121,257
Investment and interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,428</u>
Total revenues	<u>264,296</u>	<u>1,233,383</u>	<u>1,361,811</u>	<u>10,317,639</u>
Expenditures:				
Current:				
Instruction	-	-	743,793	4,096,405
Support services:				
Students	-	-	154,826	1,129,597
Instruction	-	-	10,483	118,295
General Administration	1,386	7,038	9,766	367,098
School Administration	-	-	16,256	515,735
Central Services	-	-	-	442,113
Operation & Maintenance of Plant	201,433	-	-	1,256,979
Student transportation	-	-	1,967	627,043
Other Support services	-	-	-	2,413
Food services operations	-	-	348,447	348,447
Community services	-	-	13,659	32,324
Capital outlay	-	-	150,838	874,988
Debt service:				
Principal retirement	-	1,095,000	-	1,095,000
Bond interest paid	<u>-</u>	<u>89,554</u>	<u>-</u>	<u>89,554</u>
Total expenditures	<u>202,819</u>	<u>1,191,592</u>	<u>1,450,035</u>	<u>10,995,991</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>61,477</u>	<u>41,791</u>	<u>(88,224)</u>	<u>(678,352)</u>
Other financing sources and financing uses:				
Transfers in	-	79,134	-	79,134
Transfers out	-	-	-	(79,134)
Refunds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,823)</u>
Total other financing sources and financing uses	<u>-</u>	<u>79,134</u>	<u>-</u>	<u>(8,823)</u>
<i>Net change in fund balance</i>	61,477	120,925	(88,224)	(687,175)
Fund balance at beginning of the year	<u>228,497</u>	<u>1,875,035</u>	<u>556,562</u>	<u>5,276,400</u>
Fund balance at end of the year	<u>\$ 289,974</u>	<u>\$ 1,995,960</u>	<u>\$ 468,338</u>	<u>\$ 4,589,225</u>

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

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

Net change in fund balance - total governmental funds	\$ (687,175)
<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. This is the amount by which capital outlays exceeded depreciation in the current year</p>	
Capital outlay	874,988
Depreciation	(1,193,935)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
<p>Deferred property taxes at:</p>	
June 30, 2015	(111,252)
June 30, 2016	120,029
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These differences in the treatment of long-term debt and related items consist of:</p>	
Current year principal payments	1,095,000
<p>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.</p>	
<p>Compensated absences at:</p>	
June 30, 2015	47,564
June 30, 2016	(56,156)
<p>Accrued interest at:</p>	
June 30, 2015	39,828
Loss on asset disposal	(130)
Deferred contributions to pension plan	638,184
Pension expense	<u>(691,287)</u>
Change in net position of governmental activities	<u>\$ 75,658</u>

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 26,120	\$ 26,120	\$ 30,897	\$ 4,777
Oil and gas	19,847	19,847	29,501	9,654
Intergovernmental - federal sources:				
Public Law 874	737,017	737,017	838,071	101,054
Forest reserve	-	3,897	3,897	-
Federal grants	44,700	44,700	-	(44,700)
Intergovernmental - state sources:				
State equalization guarantee	5,027,925	4,977,570	4,967,963	(9,607)
Transportation	582,058	609,004	609,004	-
State instructional material	30,393	37,887	37,888	1
Contributions - private grants	5,000	5,000	-	(5,000)
Charges for services	43,500	43,500	61,794	18,294
Total revenues	6,516,560	6,504,542	6,579,015	74,473
Expenditures:				
Current:				
Instruction	2,568,962	2,932,153	2,876,284	55,869
Support services:				
Students	907,800	771,300	734,472	36,828
Instruction	122,500	111,900	107,812	4,088
General Administration	299,000	283,300	264,824	18,476
School Administration	541,000	512,900	496,907	15,993
Central Services	561,200	557,090	546,809	10,281
Operation & Maintenance of Plant	1,165,161	1,157,271	1,061,293	95,978
Student transportation	622,058	623,680	610,227	13,453
Other Support services	111,741	21,766	8,419	13,347
Food Services Operations	100,000	-	-	-
Community Services Operations	28,900	28,900	19,067	9,833
Capital outlay:				
Equipment	20,000	44,867	44,828	39
Total expenditures	7,048,322	7,045,127	6,770,942	274,185
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(531,762)</i>	<i>(540,585)</i>	<i>(191,927)</i>	<i>348,658</i>
Other financing uses:				
Transfers out	-	-	(79,134)	(79,134)
Refunds	-	-	(8,823)	(8,823)
Total other financing uses	-	-	(87,957)	(87,957)
<i>Net change in fund balance</i>	<i>(531,762)</i>	<i>(540,585)</i>	<i>(279,884)</i>	<i>260,701</i>
<i>Beginning cash balance budgeted</i>	<i>531,762</i>	<i>540,585</i>	<i>-</i>	<i>(540,585)</i>
Fund balance at beginning of the year	-	-	1,461,553	1,461,553
Fund balance at end of the year	\$ -	\$ -	1,181,669	\$ 1,181,669
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(1,224)	
Change in due from other governments			(1,905)	
Change in payables			23,209	
Change in deferred property taxes			(355)	
Fund balance at end of the year (GAAP basis)			\$ 1,201,394	

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

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

TITLE I FUND - NO. 24101
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - federal grants	\$ 650,801	\$ 691,999	\$ 782,569	\$ 90,570
Expenditures:				
Current:				
Instruction	332,828	405,999	404,013	1,986
Support services:				
Students	269,766	220,341	217,973	2,368
General Administration	48,207	51,259	47,085	4,174
School Administration	<u> -</u>	<u>14,400</u>	<u>13,661</u>	<u>739</u>
Total expenditures	<u>650,801</u>	<u>691,999</u>	<u>682,732</u>	<u>9,267</u>
<i>Excess of revenues over expenditures</i>	-	-	99,837	99,837
Fund balance at beginning of the year	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	99,837	<u><u>\$ 99,837</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(103,077)	
Change in payables			<u>3,240</u>	
Fund balance at end of the year (GAAP basis)			<u><u>\$ -</u></u>	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

ENTITLEMENT IDEA-B FUND - NO. 24106
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 173,627	\$ 276,056	\$ 170,760	\$ (105,296)
Expenditures:				
Current:				
Instruction	35,000	118,150	75,556	42,594
Support services:				
Students	63,727	47,187	38,142	9,045
General Administration	21,703	44,564	38,467	6,097
School Administration	48,197	45,917	42,678	3,239
Student transportation	5,000	20,238	14,756	5,482
Total expenditures	173,627	276,056	209,599	66,457
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(38,839)	(38,839)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(38,839)	\$ (38,839)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			30,939	
Change in payables			7,900	
Fund balance at end of the year (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2016

ASSETS

Pooled cash and investments	\$	<u>55,651</u>
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LIABILITIES

Deposits held for others	\$	<u>55,651</u>
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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Cuba Independent School District No. 62 (District) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the Village of Cuba, New Mexico and the surrounding areas. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, no component units or fiduciary units were included in the financial statements.

Generally Accepted Accounting Principles (GAAP) requires that financial statements present the District (primary government) and its component units. The District has no component units that are required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*.

1. Blended Component Units

The District does not have any component units reported as blended component units.

2. Discretely Presented Component Units

The District does not have any component units reported as discretely presented component units.

During fiscal year 2016, Cuba Independent School District No. 62 adopted the following GASB Statements:

- GASB 72, *Fair Value Measurement and Application*, This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement will be effective for the year ended June 30, 2016.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, this Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. This Statement will be effective for the year ended June 30, 2016.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement will be effective for the year ended June 30, 2016.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

A. Reporting Entity (cont'd)

- GASB 79, *Certain External Investment Pools and Pool Participants*, this Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement 31, as amended.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2015 (FYE June 30, 2016), except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015 (FYE June 30, 2017). Earlier application is encouraged.

Other accounting standards that Cuba Independent School District No. 62 is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. This Statement will be effective for the year ended June 30, 2017.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, this Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement will be effective for the year ended June 30, 2018.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

A. Reporting Entity (cont'd)

- GASB 77, *Tax Abatement Disclosures*, financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as inter-period equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time.

Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

Although many governments offer tax abatements and provide information to the public about them, they do not always provide the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015 (FYE June 30, 2017). Earlier application is encouraged.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

A. Reporting Entity (cont'd)

- GASB 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, the objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this Statement, the requirements of Statement 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2015 (FYE June 30, 2017). Earlier application is encouraged.

- GASB 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, the objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended.

This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016 (FYE June 30, 2017). Earlier application is encouraged.

- GASB 81, *Irrevocable Split-Interest Agreements*, The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts—or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements—in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016 (FYE June 30, 2018), and should be applied retroactively. Earlier application is encouraged.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

A. Reporting Entity (cont'd)

- GASB 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, the objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016 (FYE June 30, 2017), except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017 (FYE June 30, 2018). Earlier application is encouraged.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Cuba Independent School District No. 62's management who is responsible for their integrity and objectivity. The financial statements of the District conform to GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of inter-fund activity has been removed from these statements.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont'd)

The government reports the following major governmental funds:

➤ General Fund

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

➤ Title I Special Revenue Fund (Fund No. 24101)

Minimum Balance: None

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

➤ Entitlement IDEA-B (Fund No. 24106)

Minimum Balance: None

Program provides grants to states that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

➤ Bond Building Capital Projects Fund (Fund No. 31100)

Minimum Balance: None

This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

➤ Capital Improvements SB – 9 Capital Projects Fund (Fund No. 31700)

Minimum Balance: None

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

➤ Debt Service Fund (Fund No. 41000)

Minimum Balance: None

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

Additionally, the government reports the following fund types:

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

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds – Fiduciary Funds are the agency funds used to account for financial resources used by the student activity groups for which the District has stewardship

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity

1. *Deposits and investments*

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

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

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

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

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

2. *Receivables and payables*

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

The District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectible amounts has not been recorded.

3. *Inventories*

USDA Commodities are recorded at estimated costs and other inventories are recorded at cost, which approximates market. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

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. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

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

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

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

5. *Compensated absences*

It is the District's policy to permit employees to accumulate 120 days of earned but unused vacation, which will be paid to employees upon retirement from the District's service. The amount for liability has been reported in the government-wide financial statements.

Accumulated sick leave is not payable upon termination and is recorded as expenditures when it is paid.

6. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts.

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

7. *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 Education 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

8. *Fund balance*

a. Non-Spendable

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

b. Restricted

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

c. Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the District's Board of Education should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the District's Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District had \$651,000 of fund balance that was committed by the Board of Education for the year ended June 30, 2016. These amounts are intended for future paving projects (\$250,000) and renovations to the teacherage units (\$300,000) and other buildings (\$101,000).

d. Assigned

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

e. Unassigned

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

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

9. *Net Position*

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

a. Net investment in capital assets

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

b. Restricted Net Position

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

c. Unrestricted Net Position

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

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

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

10. *Indirect Costs*

The District’s General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

11. *Estimates*

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

12. *Revenues*

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

A school district’s program costs are determined through the use of various formulas using ‘program units’ which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$4,967,963 in state equalization guarantee distributions during the year ended June 30, 2016.

Transportation Distribution: School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$609,004 in transportation distributions during the year ended June 30, 2016.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

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

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2016 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 7,048,322	\$ 7,045,127
Special Revenue Fund	2,587,649	3,024,829
Capital Projects Fund	1,046,595	1,761,425
Debt Service Fund	<u>2,334,284</u>	<u>2,331,284</u>
Totals	<u>\$ 13,016,850</u>	<u>\$ 14,162,665</u>

B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2016.

C. Deficit Fund Equity

The District had one deficit fund balance of \$804 in the Transportation Fund as of June 30, 2016. These deficits will be funded by future grants or by the Operational Fund.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

Cash and equivalents are comprised of the following balances:

	<u>Balance</u>
Financial institution:	
Wells Fargo Bank	\$ 3,905,232
Less agency cash	(55,651)
Less net reconciling items	(351,166)
State agencies:	
New Mexico Finance Authority	597,685
Total cash and equivalents	\$ 4,096,100

At June 30, 2016, the carrying amount of the District's deposits was \$4,151,751 and the bank balance was \$4,502,917 with the difference consisting of outstanding checks. Of this balance \$250,000 was covered by federal depository insurance and \$3,021,218 was covered by collateral held in joint safekeeping by a third party.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2016, \$1,231,699 of the District's bank balance of \$4,502,917 was exposed to custodial risk as follows:

	<u>Wells Fargo</u>	<u>New Mexico</u>	
	<u>Bank</u>	<u>Finance Authority</u>	<u>Total</u>
Bank deposits:			
Uninsured and uncollateralized	\$ 1,231,699	\$ -	\$ 1,231,699
Uninsured and collateral held by pledging bank's trust dept not in the District's name	2,423,533	597,685	3,021,218
Total uninsured	3,655,232	597,685	4,252,917
Insured (FDIC)	250,000	-	250,000
Total deposits	\$ 3,905,232	\$ 597,685	\$ 4,502,917
 State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ 1,827,616	\$ 298,842	\$ 2,126,458
Pledged security	2,423,533	597,685	3,021,218
Over collateralization	\$ 595,917	\$ 298,843	\$ 894,760

The collateral pledged is listed on Page 121 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico. According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (cont'd)

B. Receivables

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

	<u>Receivables</u>		<u>Due from Other</u>	
	Delinquent		<u>Governments</u>	<u>Funds</u>
	<u>Property Taxes</u>	<u>Grant</u>		
Major Funds:				
General Fund	\$ 5,316	\$ -	\$ 1,198	\$ 450,020
Title I	-	185,707	-	-
Entitlement IDEA-B	-	100,750	-	-
Bond Building	-	-	-	-
Capital Improvements SB-9	25,256	-	5,149	-
Debt Service	129,099	-	26,154	-
Other Governmental Funds	-	169,001	-	-
Total	<u>\$ 159,671</u>	<u>\$ 455,458</u>	<u>\$ 32,501</u>	<u>\$ 450,020</u>

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

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

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
General Fund	\$ -	\$ -
Other Governmental Funds	-	23,187
Delinquent property taxes		
General Fund	3,819	-
Capital Improvements SB-9	18,983	-
Debt Service	97,227	-
Other Governmental Funds	-	-
Total deferred/unearned revenue for governmental funds	<u>\$ 120,029</u>	<u>\$ 23,187</u>

C. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2016 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 450,020	\$ -
Title I	-	185,707
Entitlement IDEA-B	-	100,750
Other Governmental Funds	-	163,563
Total	<u>\$ 450,020</u>	<u>\$ 450,020</u>

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. The loans are expected to be repaid within the next fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (cont'd)

D. Inter-Fund Transfers

The inter-fund transfers during the year ended June 30, 2016 were:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 79,134
Debt Service Fund	79,134	-
Other Governmental Funds	-	-
Total	\$ 79,134	\$ 79,134

The transfers were to clear funds that are no longer being used and were approved by the New Mexico Department of Education.

E. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 63,000	\$ -	\$ -	\$ 63,000
Capital assets being depreciated:				
Land improvements	932,460	380,360	-	1,312,820
Buildings and improvements	30,838,173	415,955	-	31,254,128
Furniture, fixtures, and equipment	5,583,062	78,673	(320,032)	5,341,703
Total capital assets being depreciated	37,353,695	874,988	(320,032)	37,908,651
Less accumulated depreciation for:				
Land improvements	(260,400)	(54,324)	-	(314,724)
Buildings and improvements	(8,940,771)	(881,536)	-	(9,822,307)
Furniture, fixtures, and equipment	(4,558,381)	(258,075)	319,902	(4,496,554)
Total accumulated depreciation	(13,759,552)	(1,193,935)	319,902	(14,633,585)
Total capital assets being depreciated, net	23,594,143	(318,947)	(130)	23,275,066
Total capital assets, net	\$ 23,657,143	\$ (318,947)	\$ (130)	\$ 23,338,066

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (cont'd)

E. Capital Assets (cont'd)

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

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 551,193
Support Services - Students	149,730
Support Services - Instruction	16,819
Support Services - General Administration	48,659
Support Services - School Administration	68,362
Central Services	58,603
Operations & Maintenance of Plant	166,661
Student Transportation	83,116
Other Support Services	320
Food Services	46,187
Community Services	<u>4,285</u>
Total Depreciation Expense	<u>\$ 1,193,935</u>

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

Construction commitments

The District is involved in long-term construction projects as part of their master plan for upgrading the district buildings. The amount in the capital projects funds designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

F. Long-Term Debt

General Obligation Bonds

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

<u>General Obligations Bonds</u>		<u>Original</u>	<u>Interest Rates</u>	<u>Balance</u>	<u>Amount Due</u>
		<u>Amount</u>			<u>Within One Year</u>
Series	2003	\$ 1,030,000	1.00% to 3.28%	\$ 120,000	\$ 120,000
Series	2006	1,125,000	2.54% to 3.75%	645,000	55,000
Series	2006B	725,000	2.63% to 2.99%	200,000	50,000
Series	2007	580,000	2.51% to 2.82%	240,000	60,000
Series	2008	900,000	1.31% to 3.38%	325,000	50,000
Series	2009	475,000	0.65% to 3.89%	150,000	25,000
Series	2010	380,000	0.78% to 1.84%	250,000	30,000
Series	2010	540,000	0.00% to 2.65%	345,000	25,000
Series	2012	600,000	0.10% to 2.54%	490,000	20,000
Series	2013	605,000	0.10% to 3.192%	340,000	15,000
Series	2014	1,000,000	0.75% to 1.16%	370,000	75,000
Series	2015	<u>1,000,000</u>	0.63% to 2.38%	<u>1,000,000</u>	<u>255,000</u>
Total		<u>\$ 9,410,000</u>		<u>\$ 4,475,000</u>	<u>\$ 780,000</u>

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (cont'd)

F. Long-Term Debt (cont'd)

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

General Obligation Bonds			
Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	Total <u>Requirements</u>
2017	\$ 780,000	\$ 80,669	\$ 860,669
2018	645,000	67,677	712,677
2019	605,000	56,329	661,329
2020	415,000	45,335	460,335
2021	370,000	34,995	404,995
2022 - 2026	1,610,000	60,485	1,670,485
2027 - 2031	<u>50,000</u>	<u>25</u>	<u>50,025</u>
Total	<u>\$ 4,475,000</u>	<u>\$ 345,515</u>	<u>\$ 4,820,515</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Compensated absences:					
Compensated vacation	\$ 47,564	\$ 101,401	\$ 92,809	\$ 56,156	\$ 56,156
Bonds payable	<u>5,570,000</u>	<u>-</u>	<u>1,095,000</u>	<u>4,475,000</u>	<u>780,000</u>
	<u>\$ 5,617,564</u>	<u>\$ 101,401</u>	<u>\$ 1,187,809</u>	<u>\$ 4,531,156</u>	<u>\$ 836,156</u>

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

Operating Leases

The District leases office equipment under eight 48 month non-cancellable operating lease. Seven of the leases were executed September 2, 2014 with monthly payments of \$1,594 and one lease executed October 2, 2014 with a monthly payment of \$173. At the end of the lease period the equipment will be traded in. Rental costs for the year ended June 30, 2016 were \$21,198 under the previous contract. The annual lease requirements are as follows:

Year Ending <u>June 30,</u>	Total <u>Requirements</u>
2017	\$ 21,198
2018	21,198
2019	<u>3,706</u>
Total	<u>\$ 46,102</u>

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION

A. Risk Management

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

B. Employee Retirement Plan

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

ERB
P.O. Box 26129
Santa Fe, New Mexico 87502-6129
www.nmerb.org

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

Benefits Provided - The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. Benefits are based on three components: Final Average Salary (FAS), years of both earned and allowed service credits, and a 2.35% factor. The gross annual benefit is determined by multiplying the three components together. FAS is the higher of annual earnings for the previous 20 calendar quarters prior to retirement or the highest average annual earnings for any 20 consecutive calendar quarters.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2014 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the Cola would equal the change in the CPI, but never less than zero. As of July 1, 2014, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

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

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

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

Option B – If the member elects Option B, the monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member and upon the retiree's death, the same benefit is paid to the beneficiary for his or her lifetime. The named beneficiary may not be changed after the effective date of retirement since the amount of the option is calculated by using both the age of the member and the beneficiary. If the beneficiary predeceases the member, the member's benefit will be adjusted by returning it to the Option A Benefit amount. The IRS prohibits selection of Option B for a non-spouse beneficiary more than ten years younger than the member.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Employer Contributions – In fiscal year 2016, the District was required to contribute 13.9% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 13.9% of the gross covered salary for employees whose annual salary is more than \$20,000. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2016, 2015, and 2014, were \$638,184, \$597,963, and \$566,457, respectively, which equal the amount of the required contributions for each fiscal year.

Employers

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

Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Expense Related to Pensions

At June 30, 2016, the District reported a liability of \$9,802,047 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the District's proportion was 0.15133 percent, which was a decrease of 0.00497 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$691,287.

Pension Expense Calculation

Add:	Net pension liability - end of the year	\$ 9,802,047
Deduct:	Net pension liability - beginning of the year	(8,918,048)
Deduct:	Deferred outflows of resources during the year	(881,709)
Add:	First year of amortization of deferred outflows of resources	-
Add:	Deferred inflows of resources during the year	381,324
Deduct:	First year of amortization of deferred inflows of resources	(72,338)
Add:	Layered amortization of prior year(s) deferred outflows of resources	-
Deduct:	Layered amortization of prior year(s) deferred inflows of resources	(217,952)
	Reductions to ending net pension liability due contributions paid	597,963
	Total Pension Expense	\$ 691,287

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 184,480
Change of assumptions	337,145	-
Net difference between projected and actual earnings on pension plan investments	544,564	742,583
Changes in proportion and differences between District contributions and proportionate share of contributions	-	406,184
District contributions subsequent to the measurement date	<u>638,184</u>	<u>-</u>
Total	<u>\$ 1,519,893</u>	<u>\$ 1,333,247</u>

Deferred outflows of resources related to pensions in the amount of \$638,184 resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2017	\$ (281,546)
2018	(253,940)
2019	(52,193)
2020	136,141
2021	-
Thereafter	<u>-</u>
Total	<u>\$ (451,538)</u>

Actuarial Assumptions

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

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

- 1) All members with an annual salary of more than \$20,000 will contribute 10.7% during the fiscal year ending June 30, 2015 and thereafter.
- 2) Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their Cost of Living Adjustment (COLA) will be deferred until age 67.
- 3) COLAs for most retirees are reduced until ERB attains a 100% funded status.
- 4) The new assumptions were adopted by ERB on June 12, 2015 in conjunction with the six year experience study period ending June 30, 2014.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

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

Actuarial Cost Method Entry Age:	Normal
Amortization Method:	Level Percentage of Payroll
Remaining Period:	Amortized - closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method:	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation:	3.00%
Salary Increases:	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return:	7.75%
Retirement Age:	Experience based table of age and service rates
Mortality:	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2015 using Scale AA (one year setback for females)

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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Rate of Return

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

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

These items are developed for each major asset class.

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

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

		1% Decrease 6.75%		Current Single Rate Assumption 7.75%		1% Increase 8.75%
ERB (All Employers)						
2015	\$	8,715,594,530	\$	6,477,266,299	\$	4,596,837,569
2014	\$	7,763,304,829	\$	5,705,730,813	\$	3,987,098,791
2013	\$	8,286,923,513	\$	6,276,852,149	\$	4,599,162,126
Cuba Independent School District No. 62						
2015	\$	13,189,309	\$	9,802,047	\$	6,956,394
2014	\$	12,134,035	\$	8,918,048	\$	6,231,947
2013	\$	13,483,653	\$	10,213,067	\$	7,483,297

C. Post-Retirement Health Care Benefits

Plan Description

Cuba Independent School District No. 62 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 the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement;
- 2) retirees defined by the Act who retired prior to July 1, 1990;
- 3) former legislators who served at least two years; and
- 4) former governing authority members who served at least four years.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION (cont'd)

C. Post-Retirement Health Care Benefits (cont'd)

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to:

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

Funding Policy

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2016, 2015 and 2014 were \$91,804, \$86,039, and \$86,166, respectively, which equal the required contributions for each year.

D. Contingent Liabilities

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

E. Cash Flows

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. OTHER INFORMATION (cont'd)

F. Subsequent Events

Subsequent events were evaluated through September 16, 2016 which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2016

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Educational Retirement Board (ERB) Pension Plan

Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.151330%	0.156300%
District's proportionate share of the net pension liability	\$ 9,802,047	\$ 8,918,048
District's covered-employee payroll	\$ 4,301,893	\$ 4,308,279
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	227.85%	207.00%
Plan fiduciary net position as a percentage of the total pension liability	63.97%	66.54%

* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

Educational Retirement Board (ERB) Pension Plan

Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 597,963	\$ 566,457
Contributions in relation to the contractually required	<u>(597,963)</u>	<u>(566,457)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,301,893	\$ 4,308,279
Contribution as a percentage of covered-employee payroll	13.90%	13.15%

* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2016

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

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

- 1) Fiscal year 2015 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.75% to 3.75%
 - b. Lower payroll growth from 3.75% to 3.50%
 - c. Minor changes to demographic assumptions
 - d. Population growth per year from 0.50% to 0.00%

- 2) Assumptions that were not changed:
 - a. Investment return will remain at 7.75%
 - b. Net real return remains at 4.75%
 - c. Inflation will remain at 3.00%
 - d. COLA assumption of 2.00% per year
 - e. Payroll growth remains at 3.50%

See also the Note IV (B) *Actuarial Assumptions* of the financial statement note disclosure on the Pension Plan.

GENERAL FUNDS
YEAR ENDED JUNE 30, 2016

OPERATING FUND (Fund No. 11000)

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

TEACHERAGE FUND (Fund No. 12000)

Accounts for all financial resources used in the housing of teachers.

TRANSPORTATION FUND (Fund No. 13000)

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

INSTRUCTIONAL MATERIALS FUND (Fund No. 14000)

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

GENERAL FUNDS
Combining Balance Sheet
June 30, 2016

	Operational <u>Fund #11000</u>	Teacherage <u>Fund #12000</u>	Transportation <u>Fund #13000</u>	Instructional Materials <u>Fund #14000</u>	Total General <u>Funds</u>
Assets					
Cash and cash equivalents	\$ 695,090	\$ 56,610	\$ -	\$ 10,542	\$ 762,242
Receivables:					
Property taxes	5,316	-	-	-	5,316
Other receivables	1,203	-	391	-	1,594
Due from other governments	1,198	-	-	-	1,198
Due from other funds	<u>450,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,020</u>
Total assets	<u><u>\$ 1,152,827</u></u>	<u><u>\$ 56,610</u></u>	<u><u>\$ 391</u></u>	<u><u>\$ 10,542</u></u>	<u><u>\$ 1,220,370</u></u>
 Liabilities, deferred inflows and fund balance					
Liabilities:					
Accounts payable	\$ 11,512	\$ -	\$ 1,195	\$ -	\$ 12,707
Rental deposits	<u>-</u>	<u>2,450</u>	<u>-</u>	<u>-</u>	<u>2,450</u>
Total liabilities	<u>11,512</u>	<u>2,450</u>	<u>1,195</u>	<u>-</u>	<u>15,157</u>
 Deferred inflows of resources:					
Delinquent property taxes	<u>3,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,819</u>
 Fund balance:					
Committed	651,000	-	-	-	651,000
Unassigned	<u>486,496</u>	<u>54,160</u>	<u>(804)</u>	<u>10,542</u>	<u>550,394</u>
Total fund balance	<u>1,137,496</u>	<u>54,160</u>	<u>(804)</u>	<u>10,542</u>	<u>1,201,394</u>
 Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 1,152,827</u></u>	<u><u>\$ 56,610</u></u>	<u><u>\$ 391</u></u>	<u><u>\$ 10,542</u></u>	<u><u>\$ 1,220,370</u></u>

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

GENERAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2016

	<u>General Funds</u>				<u>Total General Fund</u>
	<u>Operational Fund #11000</u>	<u>Teacherage Fund #12000</u>	<u>Transportation Fund #13000</u>	<u>Instructional Materials Fund #14000</u>	
Revenues:					
Taxes:					
Property	\$ 30,905	\$ -	\$ -	\$ -	\$ 30,905
Oil and gas	26,008	-	-	-	26,008
Intergovernmental - federal grants	841,968	-	-	-	841,968
Intergovernmental - state grants	4,967,963	-	609,004	37,888	5,614,855
Charges for services	<u>17,184</u>	<u>44,610</u>	<u>-</u>	<u>-</u>	<u>61,794</u>
Total revenue	<u>5,884,028</u>	<u>44,610</u>	<u>609,004</u>	<u>37,888</u>	<u>6,575,530</u>
Expenditures:					
Current:					
Instruction	2,842,284	-	-	33,999	2,876,283
Support services:					
Students	726,556	-	-	-	726,556
Instruction	107,812	-	-	-	107,812
General Administration	263,356	-	-	-	263,356
School Administration	443,140	-	-	-	443,140
Central Services	442,113	-	-	-	442,113
Operation & Maintenance of Plant	963,141	92,405	-	-	1,055,546
Student transportation	32,202	-	578,118	-	610,320
Other Support services	2,237	-	-	-	2,237
Community services	18,665	-	-	-	18,665
Capital outlay	<u>161,937</u>	<u>-</u>	<u>39,767</u>	<u>-</u>	<u>201,704</u>
Total expenditures	<u>6,003,443</u>	<u>92,405</u>	<u>617,885</u>	<u>33,999</u>	<u>6,747,732</u>
<i>Excess (deficiency) of revenues over expenditures</i>					
	<u>(119,415)</u>	<u>(47,795)</u>	<u>(8,881)</u>	<u>3,889</u>	<u>(172,202)</u>
Other financing uses:					
Transfers out	(79,134)	-	-	-	(79,134)
Refunds	<u>-</u>	<u>-</u>	<u>(8,823)</u>	<u>-</u>	<u>(8,823)</u>
Total other financing uses	<u>(79,134)</u>	<u>-</u>	<u>(8,823)</u>	<u>-</u>	<u>(87,957)</u>
<i>Net change in fund balance</i>	(198,549)	(47,795)	(17,704)	3,889	(260,159)
Fund balance at beginning of the year	<u>1,336,045</u>	<u>101,955</u>	<u>16,900</u>	<u>6,653</u>	<u>1,461,553</u>
Fund balance at end of the year	<u>\$ 1,137,496</u>	<u>\$ 54,160</u>	<u>\$ (804)</u>	<u>\$ 10,542</u>	<u>\$ 1,201,394</u>

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

OPERATIONAL FUND - NO. 11000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 26,120	\$ 26,120	\$ 30,897	\$ 4,777
Oil and gas	19,847	19,847	29,501	9,654
Intergovernmental - federal sources:				
Public Law 874	737,017	737,017	838,071	101,054
Forest reserve	-	3,897	3,897	-
Federal grants	44,700	44,700	-	(44,700)
Intergovernmental - state sources:				
State equalization guarantee	5,027,925	4,977,570	4,967,963	(9,607)
Contributions - private grants	5,000	5,000	-	(5,000)
Charges for services	8,500	8,500	17,184	8,684
Total revenues	5,869,109	5,822,651	5,887,513	64,862
Expenditures:				
Current:				
Instruction	2,538,569	2,894,266	2,842,285	51,981
Support services:				
Students	907,800	771,300	734,472	36,828
Instruction	122,500	111,900	107,812	4,088
General Administration	299,000	283,300	264,824	18,476
School Administration	541,000	512,900	496,907	15,993
Central Services	561,200	557,090	546,809	10,281
Operation & Maintenance of Plant	1,056,300	1,028,410	968,236	60,174
Student transportation	40,000	45,620	32,202	13,418
Other Support services	111,741	21,766	8,419	13,347
Food Services Operations	100,000	-	-	-
Community Services Operations	28,900	28,900	19,067	9,833
Capital outlay:				
Equipment	-	5,100	5,061	39
Total expenditures	6,307,010	6,260,552	6,026,094	234,458
<i>Excess (deficiency) of revenues over expenditures</i>	(437,901)	(437,901)	(138,581)	299,320
Other financing uses:				
Transfers out	-	-	(79,134)	(79,134)
<i>Net change in fund balance</i>	(437,901)	(437,901)	(217,715)	220,186
<i>Beginning cash balance budgeted</i>	437,901	437,901	-	(437,901)
Fund balance at beginning of the year	-	-	1,336,045	1,336,045
Fund balance at end of the year	\$ -	\$ -	1,118,330	\$ 1,118,330
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(1,224)	
Change in due from other governments			(1,905)	
Change in payables			22,650	
Change in deferred property taxes			(355)	
Fund balance at end of the year (GAAP basis)			\$ 1,137,496	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

TEACHERAGE FUND - NO. 12000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Charges for services	\$ 35,000	\$ 35,000	\$ 44,610	\$ 9,610
Expenditures:				
Current:				
Support services:				
Operation & Maintenance of Plant	108,861	128,861	93,057	35,804
Capital outlay:				
Equipment	20,000	-	-	-
Total expenditures	128,861	128,861	93,057	35,804
<i>Excess (deficiency) of revenues over expenditures</i>	(93,861)	(93,861)	(48,447)	45,414
<i>Beginning cash balance budgeted</i>	93,861	93,861	-	(93,861)
Fund balance at beginning of the year	-	-	101,955	101,955
Fund balance at end of the year	\$ -	\$ -	53,508	\$ 53,508
RECONCILIATION TO GAAP BASIS:				
Change in payables			652	
Fund balance at end of the year (GAAP basis)			\$ 54,160	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

TRANSPORTATION FUND - NO. 13000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state sources:				
Transportation	\$ 582,058	\$ 609,004	\$ 609,004	\$ -
Expenditures:				
Current:				
Support services:				
Student transportation	582,058	578,060	578,025	35
Capital outlay:				
Equipment	-	39,767	39,767	-
Total expenditures	582,058	617,827	617,792	35
<i>Excess (deficiency) of revenues over expenditures</i>	-	(8,823)	(8,788)	35
Other financing uses:				
Refunds	-	-	(8,823)	(8,823)
<i>Net change in fund balance</i>	-	(8,823)	(17,611)	(8,788)
<i>Beginning cash balance budgeted</i>	-	8,823	-	(8,823)
Fund balance at beginning of the year	-	-	16,900	16,900
Fund balance at end of the year	\$ -	\$ -	(711)	\$ (711)
RECONCILIATION TO GAAP BASIS:				
Change in payables			(93)	
Fund balance (deficit) at end of the year (GAAP basis)			\$ (804)	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

INSTRUCTIONAL MATERIALS FUND - NO. 14000
**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state sources:				
State instructional material	\$ 30,393	\$ 37,887	\$ 37,888	\$ 1
Expenditures:				
Current:				
Instruction	<u>30,393</u>	<u>37,887</u>	<u>33,999</u>	<u>3,888</u>
<i>Excess of revenues over expenditures</i>	-	-	3,889	3,889
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>6,653</u>	<u>6,653</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	10,542	<u>\$ 10,542</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 10,542</u>	

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MAJOR CAPITAL PROJECTS FUNDS
AND
MAJOR DEBT SERVICE FUND

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

BOND BUILDING FUND - NO. 31100
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Investment and interest income	\$ -	\$ -	\$ 1,428	\$ 1,428
Expenditures:				
Current:				
Support services:				
Operation & Maintenance of Plant	75,000	270,000	186,607	83,393
Other Support services	-	1,000	176	824
Capital outlay:				
Land and improvements	81,430	81,430	-	81,430
Construction in progress	<u>621,329</u>	<u>1,122,059</u>	<u>651,122</u>	<u>470,937</u>
Total expenditures	<u>777,759</u>	<u>1,474,489</u>	<u>837,905</u>	<u>636,584</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(777,759)	(1,474,489)	(836,477)	638,012
<i>Beginning cash balance budgeted</i>	777,759	1,474,489	-	(1,474,489)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,154,753</u>	<u>1,154,753</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>318,276</u>	<u>\$ 318,276</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>315,283</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 633,559</u>	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

CAPITAL IMPROVEMENTS SB-9 FUND - NO. 31700

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 119,390	\$ 119,390	\$ 138,585	\$ 19,195
Oil and gas	79,390	79,390	118,004	38,614
Intergovernmental - state grants	-	18,100	21,559	3,459
Total revenues	198,780	216,880	278,148	61,268
Expenditures:				
Current:				
Support services:				
General Administration	3,000	1,500	1,386	114
Operation & Maintenance of Plant	200,729	220,329	204,953	15,376
Total expenditures	203,729	221,829	206,339	15,490
<i>Excess (deficiency) of revenues over expenditures</i>	(4,949)	(4,949)	71,809	76,758
<i>Beginning cash balance budgeted</i>	4,949	4,949	-	(4,949)
Fund balance at beginning of the year	-	-	228,497	228,497
Fund balance at end of the year	\$ -	\$ -	300,306	\$ 300,306
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(4,806)	
Change in due from other governments			(7,579)	
Change in payables			3,520	
Change in deferred property taxes			(1,467)	
Fund balance at end of the year (GAAP basis)			\$ 289,974	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

DEBT SERVICE FUND - NO. 41000
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 401,000	\$ 401,000	\$ 703,844	\$ 302,844
Oil and gas	<u>597,000</u>	<u>597,000</u>	<u>600,898</u>	<u>3,898</u>
Total revenues	<u>998,000</u>	<u>998,000</u>	<u>1,304,742</u>	<u>306,742</u>
Expenditures:				
Current:				
Support services:				
General Administration	8,000	8,000	7,038	962
Debt service:				
Principal retirement	1,095,000	1,095,000	1,095,000	-
Bond interest paid	90,251	90,251	89,554	697
Reserves	<u>1,141,033</u>	<u>1,141,033</u>	<u>-</u>	<u>1,141,033</u>
Total expenditures	<u>2,334,284</u>	<u>2,334,284</u>	<u>1,191,592</u>	<u>1,142,692</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(1,336,284)	(1,336,284)	113,150	1,449,434
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>79,134</u>	<u>79,134</u>
<i>Net change in fund balance</i>	(1,336,284)	(1,336,284)	192,284	1,528,568
<i>Beginning cash balance budgeted</i>	1,336,284	1,336,284	-	(1,336,284)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,875,035</u>	<u>1,875,035</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>2,067,319</u>	<u>\$ 2,067,319</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(24,986)	
Change in due from other governments			(38,986)	
Change in deferred property taxes			<u>(7,387)</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 1,995,960</u>	

NONMAJOR GOVERNMENTAL FUNDS

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NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

Nonmajor Special Revenue Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

FOOD SERVICE (Fund No. 21000) Minimum Balance: None

This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-4, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

ATHLETICS (Fund No. 22000)

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

PRESCHOOL IDEA-B (Fund No. 24109) Minimum Balance: None

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

TITLE III ENGLISH LANGUAGE (Fund No. 24153) Minimum Balance: None

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

TITLE II TEACHER QUALITY (Fund No. 24154) Minimum Balance: None

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

TITLE I SCHOOL IMPROVEMENT (Fund No. 24162) Minimum Balance: None

To develop parental involvement in the school curriculum. The program is funded by the United States government under P.L. 100-297.

USDA EQUIPMENT ASSTS (Fund No. 24183) Minimum Balance: None

For providing equipment to improve school food services. Authorization (040): Richard B. Russell National School Lunch Act, as amended, 42 U.S.C. 1751, 1758, 1759a,1761, 1765, 1766, 1769, 1772, 1773, 1779; School Breakfast Program (SBP); Child Nutrition Act of 1966, as amended, Public Laws 108-265, 104-193, 100-435, 99-661, 97-35; Special Milk Program (SMP); Child Nutrition Act of 1966, as amended; Child and Adult Care Food Program (CACFP); 89 Stat. 522-525, Summer Food Service Program (SFSP); Public Law 111-5. The 2010 Agriculture Appropriations Act (Public Law 111-80).

JOHNSON O'MALLEY (Fund No. 25131) Minimum Balance: None

The Johnson O'Malley project provides supplemental programs in special education and other special needs for New Mexico public schools where eligible Indian children are enrolled. Funding is provided by the Department of the Interior, Bureau of Indian Affairs, through the Navajo Tribe, under the Johnson O'Malley Act of April 16, 1934; as amended 25 U.S.C. 452, Public Law 93-638; 25 U.S.C. 455-457.

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

Nonmajor Special Revenue Funds (cont'd)

IMPACT AID SPECIAL/INDIAN EDUCATION (Fund No. 25145 & 25147) Minimum Balance: None

To provide financial assistance to local educational agencies (LEA'S) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), where there is a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3 (b); where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

TITLE XIX MEDICAID (Fund No. 25153) Minimum Balance: None

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-14, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

INDIAN ED FORMULA GRANT (Fund No. 25184) Minimum Balance: None

The purpose of this program is to support projects which improve educational opportunities and achievement of Native American children. Funding is provided by the Federal Government, under the Elementary and Secondary Education Act of 1965, Title IX, Part A, Subpart 1, as amended, Public Law 103-382, 20 U.S.C. 7811-7818; 25 U.S.C. 2002.

LITERACY THROUGH SCHOOL LIBRARIES (Fund No. 25235) Minimum Balance: None

To provide students with increased access to up-to-date school library materials, a well-equipped technologically advanced school library media center, and well-trained, professionally certified school library media specialists to improve literacy skills and achievement of students. Elementary and Secondary Education Act of 1965, Title I, Part B, Subpart 4.

LANL FOUNDATION (Fund No. 26113) Minimum Balance: None

Local grant sponsored by Los Alamos National Laboratory that was used to provide a scholarship to a senior high student that was to be used in a four-year program for educational efforts in pursuing an engineering degree at a New Mexico college or university.

CNM FOUNDATION (Fund No. 26207) Minimum Balance: None

The funds are to be used for classroom supplies, curriculum materials, software, guest speakers, fieldtrips, conferences, starting a school snack bar or school store.

DUAL CREDIT INSTRUCTIONAL MATERIALS (Fund No. 27103) Minimum Balance: None

To be used for courses approved by Higher Education Department (HED) and through a college/university for which the district has an approved agreement.

LIBRARY GO BONDS 2012 (Fund No. 27107) Minimum Balance: None

Funds to be used for library books and library resources for public school libraries statewide. Library resources include computers, software, projectors, televisions, other related hardware and software, shelving, desks, chairs, and book trucks/carts. Senate Bill 66, Laws of 2013, 2nd Session, Chapter 54, Section 10.B.(3).

READS TO LEAD (Fund No. 27114) Minimum Balance: None

Provides an aligned approach for districts and schools to ensure that children can read by the end of third grade—giving them essential skills for future career and college success. It also provides regional and district reading coaches, supports for intervention, and professional development for parents, teachers, reading coaches, and administrators.

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

Nonmajor Special Revenue Funds (cont'd)

TRUANCY INITIATIVE (27141) Minimum Balance: None

To assist the District in implementing programs and strategies for the purpose of identifying best practices for truancy prevention that are unique to New Mexico populations and cultures that will assist students to stay in school and succeed. Authority for the creation of this fund is the New Mexico Public Education Department.

PRE-K INITIATIVE (Fund No. 27149) Minimum Balance: None

The pre-k program shall address the total development needs of preschool children, including physical, cognitive, social and emotional needs, and shall include health care, nutrition, safety and multicultural sensitivity.

INDIAN EDUCATION ACT (Fund No. 27150) Minimum Balance: None

To increase academic achievement and provide culturally relevant learning experiences for American Indian students; to establish collaborative partnerships that engage active participation of American Indian parents, students, tribe(s), community-based organizations, universities, private sector and/or other entities who work with American Indian students; to establish a parent community advisory committee to participate in the development of an Indigenous curriculum framework and to profile Indigenous best practices.

2013 PRE-K CLASSROOMS (Fund No. 27177) Minimum Balance: None

The pre-k program shall address the total development needs of preschool children, including physical, cognitive, social and emotional needs, and shall include health care, nutrition, safety and multicultural sensitivity.

STEM TEACHER INITIATIVE (Fund No. 27181) Minimum Balance: None

The purpose of these funds is to provide a \$5,000 stipend per year to 125 highly effective STEM teachers to teach Science, Technology, Engineering, or Mathematics (grades 7-12) for two years to serve in hard to staff (low performing CD/F), rural, urban) schools.

YOUTH CONSERVATION CORP (Fund No. 28133) Minimum Balance: None

To account for funds received for the purpose of employing local youth.

DWI NM (Fund No. 28145) Minimum Balance: None

To provide education program to facilitate prevention activities.

GEAR UP (Fund No. 28178) Minimum Balance: None

To encourage eligible entities to provide supportive services to elementary and middle schools, and secondary school students who are at risk of dropping out of school; and information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents. Authorization granted through Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 U.S.C. 1070a-21-1070a-28.

NATURAL HELPERS (Fund No. 28195) Minimum Balance: None

Has three primary goals. The program aims to teach student members: (1) effective ways to help and support their friends and peers, (2) positive ways to take care of themselves and be cognizant of their own physical and mental health, (3) ways to contribute to creating safe and supportive school and community environments.

LIFE LINK (Fund No. 29102) Minimum Balance: None

To assist in the assessment of behavior health needs.

SUBSTANCE ABUSE ED (Fund No. 29105) Minimum Balance: None

To provide culturally relevant and age appropriate alcohol, tobacco, and other drug prevention.

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

Nonmajor Special Revenue Funds (cont'd)

NATURAL HELPERS (Fund No. 28195)	Minimum Balance:	None
Has three primary goals. The program aims to teach student members: (1) effective ways to help and support their friends and peers, (2) positive ways to take care of themselves and be cognizant of their own physical and mental health, (3) ways to contribute to creating safe and supportive school and community environments.		
LIFE LINK (Fund No. 29102)	Minimum Balance:	None
To assist in the assessment of behavior health needs.		
SUBSTANCE ABUSE ED (Fund No. 29105)	Minimum Balance:	None
To provide culturally relevant and age appropriate alcohol, tobacco, and other drug prevention.		
CITY/COUNTY GRANTS (Fund No. 29107)	Minimum Balance:	None
To implement science based curriculum.		
SCHOOL BASED HEALTH CENTER (Fund No. 29130)	Minimum Balance:	None
To enhance school based health centers infrastructure, develop and implement billing protocols, improve communication with school personnel, families, and outside agencies, and improve behavioral health programs.		
EXEMPLARY SCHOOL BASED HEALTH CENTER (Fund No. 29131)	Minimum Balance:	None
To provide a comprehensive array of school based behavioral health programs and services for school students.		

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

SPECIAL CAPITAL OUTLAY – FEDERAL (Fund No. 31500)

To maintain school facilities owned by the Department of Education and operated by Board of Education agencies and transfer these facilities to local agencies where appropriate. These funds are authorized by the Elementary and Secondary Education Act of 1965, Title VIII, Section 8008 as amended.

Nonmajor Debt Service Funds

Debt service funds are used to account for the payment of principal and interest on long-term debt. Debt Service revenues are from taxes and other operating revenues, some of which are pledged specifically to repay certain outstanding bond issues.

ED TECH DEBT SERVICE FUND (Fund No. 43000)

To account for the accumulation of resources for, and the payment of, Education Technology Bond principal, interest, and related costs.

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds					
	Athletics Fund #22000	Preschool IDEA-B Fund #24109	Title III English Language Fund #24153	Title II Teacher Quality Fund #24154	Title I School Improvement Fund #24162	USDA Equipment Assist Fund #24183
Assets						
Cash and cash equivalents	\$ 10,921	\$ 10,935	\$ -	\$ -	\$ -	\$ -
Receivables:						
Grant	-	-	31,216	20,736	4,209	-
Food inventory	-	-	-	-	-	-
Total assets	\$ 10,921	\$ 10,935	\$ 31,216	\$ 20,736	\$ 4,209	\$ -
Liabilities, deferred inflows and fund balance						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	31,216	20,736	4,209	-
Total liabilities	7,151	-	31,216	20,736	4,209	-
Deferred inflows of resources:						
Advances of federal, state, and local grants	-	10,935	-	-	-	-
Fund balance:						
Non-spendable:						
Inventories	-	-	-	-	-	-
Restricted for:						
Special revenue funds	10,921	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total fund balance	138,551	-	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 10,921	\$ 10,935	\$ 31,216	\$ 20,736	\$ 4,209	\$ -

(cont'd; 1 of 6)

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds						
	Johnson O'Malley Fund #25131	Impact Aid Special Education Fund #25145	Impact Aid Indian Education Fund #25147	Title XIX Medicaid Fund #25153	Indian Ed Formula Grant Fund #25184	Literacy through School Libraries Fund #25235	LANL Foundation Fund #26113
Assets							
Cash and cash equivalents	\$ 10,983	\$ 19,066	\$ 80,353	\$ 124,234	\$ 1,949	\$ 1,269	\$ -
Receivables:							
Grant	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-
Total assets	\$ 10,983	\$ 19,066	\$ 80,353	\$ 124,234	\$ 1,949	\$ 1,269	\$ -
Liabilities, deferred inflows and fund balance							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Deferred inflows of resources:							
Advances of federal, state, and local grants	10,983	-	-	-	-	1,269	-
Fund balance:							
Non-spendable:							
Inventories	-	-	-	-	-	-	-
Restricted for:							
Special revenue funds	-	19,066	80,353	124,234	1,949	-	-
Capital projects funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total fund balance	-	19,066	80,353	124,234	1,949	-	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 10,983	\$ 19,066	\$ 80,353	\$ 124,234	\$ 1,949	\$ 1,269	\$ -

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds						
	CNM Foundation Fund #26207	Dual Credit Instructional Materials Fund #27103	Libraries GO Bond 2012 Fund #27107	Reads to Lead Fund #27114	Truancy Initiative Fund #27141	Pre-K Initiative Fund #27149	Indian Education Act Fund #27150
Assets							
Cash and cash equivalents	\$ 282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:							
Grant	-	-	164	9,709	17,446	19,189	3,877
Food inventory	-	-	-	-	-	-	-
Total assets	\$ 282	\$ -	\$ 164	\$ 9,709	\$ 17,446	\$ 19,189	\$ 3,877
Liabilities, deferred inflows and fund balance							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	164	9,709	17,446	19,189	3,877
Total liabilities	-	-	164	9,709	17,446	19,189	3,877
Deferred inflows of resources:							
Advances of federal, state, and local grants	-	-	-	-	-	-	-
Fund balance:							
Non-spendable:							
Inventories	-	-	-	-	-	-	-
Restricted for:							
Special revenue funds	282	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total fund balance	282	-	-	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 282	\$ -	\$ 164	\$ 9,709	\$ 17,446	\$ 19,189	\$ 3,877

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2016

	Special Revenue Funds						
	2013 Pre-K Classrooms Fund #27177	STEM Teacher Initiative Fund #27181	Youth Conservation Corp Fund #28133	DWI NM Fund #28145	Gear Up Fund #28178	Natural Helpers Fund #28195	Life Link Fund #29102
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ 12,925	\$ 4,428	\$ -	\$ 2,696	\$ -
Receivables:							
Grant	52,750	-	-	-	-	-	4,267
Food inventory	-	-	-	-	-	-	-
Total assets	\$ 52,750	\$ -	\$ 12,925	\$ 4,428	\$ -	\$ 2,696	\$ 4,267
Liabilities, deferred inflows and fund balance							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	52,750	-	-	-	-	-	4,267
Total liabilities	52,750	-	-	-	-	-	4,267
Deferred inflows of resources:							
Advances of federal, state, and local grants	-	-	-	-	-	-	-
Fund balance:							
Non-spendable:							
Inventories	-	-	-	-	-	-	-
Restricted for:							
Special revenue funds	-	-	12,925	4,428	-	2,696	-
Capital projects funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total fund balance	-	-	12,925	4,428	-	2,696	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 52,750	\$ -	\$ 12,925	\$ 4,428	\$ -	\$ 2,696	\$ 4,267

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2016

	Special Revenue Funds					
	<u>Substance Abuse Ed Fund #29105</u>	<u>City/County Grants Fund #29107</u>	<u>School Based Health Center Fund #29130</u>	<u>Exemplary School Based Health Center Fund #29131</u>		<u>Total Non-Major Special Revenue Funds</u>
Assets						
Cash and cash equivalents	\$ 1,955	\$ 5,378	\$ 9,338	\$ 2,290		\$ 425,388
Receivables:						
Grant	-	-	-	-		169,001
Food inventory	-	-	-	-		13,878
Total assets	\$ 1,955	\$ 5,378	\$ 9,338	\$ 2,290		\$ 608,267
Liabilities, deferred inflows and fund balance						
Liabilities:						
Accounts payable	-	-	-	-		7,151
Due to other funds	-	-	-	-		163,563
Total liabilities	-	-	-	-		170,714
Deferred inflows of resources:						
Advances of federal, state, and local grants	-	-	-	-		23,187
Fund balance:						
Non-spendable:						
Inventories	-	-	-	-		13,878
Restricted for:						
Special revenue funds	1,955	5,378	9,338	2,290		400,488
Capital projects funds	-	-	-	-		-
Debt service	-	-	-	-		-
Total fund balance	1,955	5,378	9,338	2,290		414,366
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,955	\$ 5,378	\$ 9,338	\$ 2,290		\$ 608,267

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2016

	Special Capital Outlay - Federal Fund #31500	Ed Tech Debt Service Fund #43000	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 1	\$ 53,971	\$ 479,360
Receivables:			
Grant	-	-	169,001
Food inventory	-	-	<u>13,878</u>
Total assets	<u>\$ 1</u>	<u>\$ 53,971</u>	<u>\$ 662,239</u>
Liabilities, deferred inflows and fund balance			
Liabilities:			
Accounts payable	-	-	\$ 7,151
Due to other funds	-	-	<u>163,563</u>
Total liabilities	-	-	<u>170,714</u>
Deferred inflows of resources:			
Advances of federal, state, and local grants	-	-	<u>23,187</u>
Fund balance:			
Non-spendable:			
Inventories	-	-	13,878
Restricted for:			
Special revenue funds	-	-	400,488
Capital projects funds	1	-	1
Debt service	-	<u>53,971</u>	<u>53,971</u>
Total fund balance	<u>1</u>	<u>53,971</u>	<u>468,338</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1</u>	<u>\$ 53,971</u>	<u>\$ 662,239</u>

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	Special Revenue Funds			
	Food Service <u>Fund #21000</u>	Athletics <u>Fund #22000</u>	Preschool IDEA-B <u>Fund #24109</u>	Title III English Language <u>Fund #24153</u>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	355,091	-	5,540	23,990
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	<u>10,616</u>	<u>48,847</u>	<u>-</u>	<u>-</u>
Total revenues	<u>365,707</u>	<u>48,847</u>	<u>5,540</u>	<u>23,990</u>
Expenditures:				
Current:				
Instruction	-	51,401	3,267	22,752
Support services:				
Students	-	-	2,273	797
Instruction	-	-	-	-
General Administration	-	-	-	441
School Administration	-	-	-	-
Student transportation	-	-	-	-
Food services operations	348,447	-	-	-
Community services	-	-	-	-
Capital outlay	<u>-</u>	<u>5,645</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>348,447</u>	<u>57,046</u>	<u>5,540</u>	<u>23,990</u>
<i>Excess (deficiency) of revenues over expenditures</i>	17,260	(8,199)	-	-
Fund balance at beginning of the year	<u>121,291</u>	<u>19,120</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 138,551</u>	<u>\$ 10,921</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	Special Revenue Funds			
	Title II Teacher Quality <u>Fund #24154</u>	Title I School Improvement <u>Fund #24162</u>	USDA Equipment Assist <u>Fund #24183</u>	Johnson O'Malley <u>Fund #25131</u>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	86,548	25,952	-	20,782
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>86,548</u>	<u>25,952</u>	<u>-</u>	<u>20,782</u>
Expenditures:				
Current:				
Instruction	74,629	25,952	-	12,151
Support services:				
Students	-	-	-	8,631
Instruction	-	-	-	-
General Administration	9,325	-	-	-
School Administration	2,594	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>86,548</u>	<u>25,952</u>	<u>-</u>	<u>20,782</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	Special Revenue Funds			
	Impact Aid Special Education <u>Fund #25145</u>	Impact Aid Indian Education <u>Fund #25147</u>	Title XIX Medicaid <u>Fund #25153</u>	Indian Ed Formula Grant <u>Fund #25184</u>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	36,676	208,696	66,986	62,371
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Total revenues	<u>36,676</u>	<u>208,696</u>	<u>66,986</u>	<u>62,371</u>
Expenditures:				
Current:				
Instruction	51,871	228,692	34,033	60,905
Support services:				
Students	-	-	10,783	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	13,662	-	-
Student transportation	1,967	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>53,838</u>	<u>242,354</u>	<u>44,816</u>	<u>60,905</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(17,162)	(33,658)	22,170	1,466
Fund balance at beginning of the year	<u>36,228</u>	<u>114,011</u>	<u>102,064</u>	<u>483</u>
Fund balance at end of the year	<u>\$ 19,066</u>	<u>\$ 80,353</u>	<u>\$ 124,234</u>	<u>\$ 1,949</u>

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	Special Revenue Funds			
	Literacy through School Libraries <u>Fund #25235</u>	LANL Foundation <u>Fund #26113</u>	CNM Foundation <u>Fund #26207</u>	Dual Credit Instructional Materials <u>Fund #27103</u>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	17,471	-	-	-
Intergovernmental - state grants	-	-	-	1,268
Contributions - private grants	-	-	1,500	-
Charges for services	-	-	-	-
Total revenues	17,471	-	1,500	1,268
Expenditures:				
Current:				
Instruction	-	418	1,384	1,268
Support services:				
Students	17,471	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	17,471	418	1,384	1,268
<i>Excess (deficiency) of revenues over expenditures</i>	-	(418)	116	-
Fund balance at beginning of the year	-	418	166	-
Fund balance at end of the year	\$ -	\$ -	\$ 282	\$ -

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	Special Revenue Funds			
	Libraries GO Bond 2012 <u>Fund #27107</u>	Reads to Lead <u>Fund #27114</u>	Truancy Initiative <u>Fund #27141</u>	Pre-K Initiative <u>Fund #27149</u>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	10,483	49,199	64,030	60,432
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Total revenues	10,483	49,199	64,030	60,432
Expenditures:				
Current:				
Instruction	-	49,199	-	60,432
Support services:				
Students	-	-	64,030	-
Instruction	10,483	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	10,483	49,199	64,030	60,432
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -

(cont'd; 5 of 9)

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	Special Revenue Funds			
	Indian Education Act <u>Fund #27150</u>	2013 Pre-K Classrooms <u>Fund #27177</u>	STEM Teacher Initiative <u>Fund #27181</u>	Youth Conservation Corp <u>Fund #28133</u>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	21,185	80,087	-	49,137
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Total revenues	21,185	80,087	-	49,137
Expenditures:				
Current:				
Instruction	-	-	-	36,212
Support services:				
Students	21,185	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	80,087	-	-
Total expenditures	21,185	80,087	-	36,212
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	12,925
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ 12,925

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

Special Revenue Funds

	<u>DWI NM</u> <u>Fund #28145</u>	<u>Gear Up</u> <u>Fund #28178</u>	<u>Natural Helpers</u> <u>Fund #28195</u>	<u>Life Link</u> <u>Fund #29102</u>	<u>Substance</u> <u>Abuse Ed</u> <u>Fund #29105</u>
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	-	-	-	-
Intergovernmental - state grants	10,000	-	-	-	-
Contributions - private grants	-	-	-	34,829	80
Charges for services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>34,829</u>	<u>80</u>
Expenditures:					
Current:					
Instruction	7,564	10,845	-	5,173	5,645
Support services:					
Students	-	-	-	29,656	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>7,564</u>	<u>10,845</u>	<u>-</u>	<u>34,829</u>	<u>5,645</u>
<i>Excess (deficiency) of revenues over expenditures</i>	2,436	(10,845)	-	-	(5,565)
Fund balance at beginning of the year	<u>1,992</u>	<u>10,845</u>	<u>2,696</u>	<u>-</u>	<u>7,520</u>
Fund balance at end of the year	<u>\$ 4,428</u>	<u>\$ -</u>	<u>\$ 2,696</u>	<u>\$ -</u>	<u>\$ 1,955</u>

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STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	Special Revenue Funds		
	City/County Grants <u>Fund #29107</u>	School Based Health Center <u>Fund #29130</u>	Exemplary School Based Health Center <u>Fund #29131</u>
Revenues:			
Taxes:			
Property	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	-	-
Intergovernmental - state grants	-	-	-
Contributions - private grants	10,000	-	-
Charges for services	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>10,000</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Instruction	-	-	-
Support services:			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Student transportation	-	-	-
Food services operations	-	-	-
Community services	13,659	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>13,659</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(3,659)	-	-
Fund balance at beginning of the year	<u>9,037</u>	<u>9,338</u>	<u>2,290</u>
Fund balance at end of the year	<u>\$ 5,378</u>	<u>\$ 9,338</u>	<u>\$ 2,290</u>

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	Total Nonmajor Special Revenue <u>Funds</u>	Special Capital Outlay - Federal <u>Fund #31500</u>	Ed Tech Debt Service <u>Fund #43000</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ 15	\$ 15
Intergovernmental - federal grants	910,103	-	-	910,103
Intergovernmental - state grants	345,821	-	-	345,821
Contributions - private grants	46,409	-	-	46,409
Charges for services	<u>59,463</u>	<u>-</u>	<u>-</u>	<u>59,463</u>
Total revenues	<u>1,361,796</u>	<u>-</u>	<u>15</u>	<u>1,361,811</u>
Expenditures:				
Current:				
Instruction	743,793	-	-	743,793
Support services:				
Students	154,826	-	-	154,826
Instruction	10,483	-	-	10,483
General Administration	9,766	-	-	9,766
School Administration	16,256	-	-	16,256
Student transportation	1,967	-	-	1,967
Food services operations	348,447	-	-	348,447
Community services	13,659	-	-	13,659
Capital outlay	<u>85,732</u>	<u>65,106</u>	<u>-</u>	<u>150,838</u>
Total expenditures	<u>1,384,929</u>	<u>65,106</u>	<u>-</u>	<u>1,450,035</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(23,133)	(65,106)	15	(88,224)
Fund balance at beginning of the year	<u>437,499</u>	<u>65,107</u>	<u>53,956</u>	<u>556,562</u>
Fund balance at end of the year	<u>\$ 414,366</u>	<u>\$ 1</u>	<u>\$ 53,971</u>	<u>\$ 468,338</u>

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NONMAJOR GOVERNMENTAL FUNDS
BUDGETARY PRESENTATION

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

FOOD SERVICE FUND - NO. 21000
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 300,000	\$ 300,000	\$ 357,065	\$ 57,065
Charges for services	10,003	10,003	10,616	613
Total revenues	310,003	310,003	367,681	57,678
Expenditures:				
Current:				
Food Services Operations	399,126	399,126	326,869	72,257
<i>Excess (deficiency) of revenues over expenditures</i>	(89,123)	(89,123)	40,812	129,935
<i>Beginning cash balance budgeted</i>	89,123	89,123	-	(89,123)
Fund balance at beginning of the year	-	-	121,291	121,291
Fund balance at end of the year	\$ -	\$ -	162,103	\$ 162,103
RECONCILIATION TO GAAP BASIS:				
Change in inventory			2,611	
Change in grant receivable			(24,856)	
Change in payables			(1,307)	
Fund balance at end of the year (GAAP basis)			\$ 138,551	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

ATHLETICS FUND - NO. 22000
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Charges for services	\$ 40,000	\$ 40,000	\$ 48,847	\$ 8,847
Expenditures:				
Current:				
Instruction	58,278	52,633	51,401	1,232
Capital outlay:				
Equipment	-	5,645	5,645	-
Total expenditures	58,278	58,278	57,046	1,232
<i>Excess (deficiency) of revenues over expenditures</i>	(18,278)	(18,278)	(8,199)	10,079
<i>Beginning cash balance budgeted</i>	18,278	18,278	-	(18,278)
Fund balance at beginning of the year	-	-	19,120	19,120
Fund balance at end of the year	\$ -	\$ -	10,921	\$ 10,921
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 10,921	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

PRESCHOOL IDEA-B FUND - NO. 24109

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 7,927	\$ 14,760	\$ 2,674	\$ (12,086)
Expenditures:				
Current:				
Instruction	3,000	8,833	3,267	5,566
Support services:				
Students	3,727	4,727	2,273	2,454
School Administration	1,200	1,200	-	1,200
Total expenditures	7,927	14,760	5,540	9,220
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(2,866)	(2,866)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(2,866)	\$ (2,866)
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			2,866	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

TITLE III ENGLISH LANGUAGE FUND - NO. 24153

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 33,435	\$ 70,836	\$ 6,476	\$ (64,360)
Expenditures:				
Current:				
Instruction	31,779	69,180	22,752	46,428
Support services:				
Students	1,000	1,000	797	203
General Administration	656	656	441	215
Total expenditures	33,435	70,836	23,990	46,846
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(17,514)	(17,514)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(17,514)	\$ (17,514)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			17,514	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

TITLE II TEACHER QUALITY FUND - NO. 24154
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - federal grants	\$ 61,689	\$ 167,620	\$ 74,570	\$ (93,050)
Expenditures:				
Current:				
Instruction	51,034	137,120	78,335	58,785
Support services:				
Students	-	3,200	154	3,046
General Administration	7,655	15,500	9,325	6,175
School Administration	<u>3,000</u>	<u>11,800</u>	<u>2,594</u>	<u>9,206</u>
Total expenditures	<u>61,689</u>	<u>167,620</u>	<u>90,408</u>	<u>77,212</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(15,838)	(15,838)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(15,838)	<u>\$ (15,838)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			11,978	
Change in payables			<u>3,860</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

TITLE I SCHOOL IMPROVEMENT FUND - NO. 24162
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 26,052	\$ 21,744	\$ (4,308)
Expenditures:				
Current:				
Instruction	-	26,052	25,952	100
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(4,208)	(4,208)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(4,208)	<u>\$ (4,208)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			4,208	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

USDA EQUIPMENT ASSIST FUND - NO. 24183

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ -	\$ 11,982	\$ 11,982
Expenditures:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	11,982	11,982
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	11,982	\$ 11,982
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(11,982)	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

JOHNSON O'MALLEY FUND - NO. 25131
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 22,205	\$ 24,563	\$ 22,226	\$ (2,337)
Expenditures:				
Current:				
Instruction	10,205	12,563	12,152	411
Support services:				
Students	12,000	12,000	8,962	3,038
Total expenditures	<u>22,205</u>	<u>24,563</u>	<u>21,114</u>	<u>3,449</u>
<i>Excess of revenues over expenditures</i>	-	-	1,112	1,112
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,112	<u>\$ 1,112</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			332	
Change in deferred revenue			(1,444)	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

IMPACT AID SPECIAL EDUCATION FUND - NO. 25145
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 40,000	\$ 40,000	\$ 36,676	\$ (3,324)
Expenditures:				
Current:				
Instruction	62,105	62,105	51,871	10,234
Support services:				
Students	2,000	1,500	-	1,500
Operation & Maintenance of Plant	10,000	10,000	-	10,000
Student transportation	1,500	2,000	1,967	33
Total expenditures	75,605	75,605	53,838	21,767
<i>Excess (deficiency) of revenues over expenditures</i>	(35,605)	(35,605)	(17,162)	18,443
<i>Beginning cash balance budgeted</i>	35,605	35,605	-	(35,605)
Fund balance at beginning of the year	-	-	36,228	36,228
Fund balance at end of the year	\$ -	\$ -	19,066	\$ 19,066
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 19,066	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

IMPACT AID INDIAN EDUCATION FUND - NO. 25147
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - federal grants	\$ 150,000	\$ 150,000	\$ 208,696	\$ 58,696
Expenditures:				
Current:				
Instruction	226,829	253,614	228,692	24,922
Support services:				
School Administration	20,780	13,995	13,662	333
Student transportation	20,000	-	-	-
Total expenditures	267,609	267,609	242,354	25,255
<i>Excess (deficiency) of revenues over expenditures</i>	(117,609)	(117,609)	(33,658)	83,951
<i>Beginning cash balance budgeted</i>	117,609	117,609	-	(117,609)
Fund balance at beginning of the year	-	-	114,011	114,011
Fund balance at end of the year	\$ -	\$ -	80,353	\$ 80,353
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 80,353	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

TITLE XIX MEDICAID FUND - NO. 25153
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - federal grants	\$ 40,000	\$ 40,000	\$ 66,986	\$ 26,986
Expenditures:				
Current:				
Instruction	47,586	47,586	34,033	13,553
Support services:				
Students	64,750	64,750	10,783	53,967
Total expenditures	112,336	112,336	44,816	67,520
<i>Excess (deficiency) of revenues over expenditures</i>	(72,336)	(72,336)	22,170	94,506
<i>Beginning cash balance budgeted</i>	72,336	72,336	-	(72,336)
Fund balance at beginning of the year	-	-	102,064	102,064
Fund balance at end of the year	\$ -	\$ -	124,234	\$ 124,234
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 124,234	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

INDIAN ED FORMULA GRANT FUND - NO. 25184

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 61,956	\$ 61,956	\$ 62,371	\$ 415
Expenditures:				
Current:				
Instruction	61,956	61,956	60,905	1,051
<i>Excess of revenues over expenditures</i>	-	-	1,466	1,466
Fund balance at beginning of the year	-	-	483	483
Fund balance at end of the year	\$ -	\$ -	1,949	\$ 1,949
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 1,949	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

LITERACY THROUGH SCHOOL LIBRARIES FUND - NO. 25235
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services:				
Students	17,489	17,489	17,471	18
<i>Excess (deficiency) of revenues over expenditures</i>	(17,489)	(17,489)	(17,471)	18
<i>Beginning cash balance budgeted</i>	17,489	17,489	-	(17,489)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(17,471)	\$ (17,471)
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			17,471	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

LANL FOUNDATION FUND - NO. 26113
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	418	418	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	(418)	(418)	-
<i>Beginning cash balance budgeted</i>	-	418	-	(418)
Fund balance at beginning of the year	-	-	418	418
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

CNM FOUNDATION FUND - NO. 26207
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ 1,500	\$ 1,500	\$ -
Expenditures:				
Current:				
Instruction	116	1,616	1,384	232
<i>Excess (deficiency) of revenues over expenditures</i>	(116)	(116)	116	232
<i>Beginning cash balance budgeted</i>	116	116	-	(116)
Fund balance at beginning of the year	-	-	166	166
Fund balance at end of the year	\$ -	\$ -	282	\$ 282
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 282	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

DUAL CREDIT INSTRUCTIONAL MATERIALS FUND - NO. 27103
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 1,268	\$ 1,268	\$ -
Expenditures:				
Current:				
Instruction	-	1,268	1,268	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

LIBRARIES GO BOND 2012 FUND - NO. 27107

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 10,485	\$ 10,485	\$ 10,319	\$ (166)
Expenditures:				
Current:				
Support services:				
Instruction	10,485	10,485	10,483	2
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(164)	(164)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(164)	\$ (164)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			164	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

READS TO LEAD FUND - NO. 27114
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 50,000	\$ 50,000	\$ 50,546	\$ 546
Expenditures:				
Current:				
Instruction	50,000	50,000	49,199	801
<i>Excess of revenues over expenditures</i>	-	-	1,347	1,347
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	1,347	\$ 1,347
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(1,347)	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

TRUANCY INITIATIVE FUND - NO. 27141
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 90,000	\$ 46,585	\$ (43,415)
Expenditures:				
Current:				
Instruction	-	15,500	-	15,500
Support services:				
Students	-	74,500	64,030	10,470
Total expenditures	-	90,000	64,030	25,970
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(17,445)	(17,445)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(17,445)	\$ (17,445)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			17,445	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

PRE-K INITIATIVE FUND - NO. 27149
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 96,186	\$ 64,124	\$ 61,650	\$ (2,474)
Expenditures:				
Current:				
Instruction	96,186	64,124	60,432	3,692
<i>Excess of revenues over expenditures</i>	-	-	1,218	1,218
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	1,218	\$ 1,218
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(1,218)	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

INDIAN EDUCATION ACT FUND - NO. 27150
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 25,000	\$ 24,941	\$ (59)
Expenditures:				
Current:				
Support services:				
Students	-	25,000	21,185	3,815
<i>Excess of revenues over expenditures</i>	-	-	3,756	3,756
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	3,756	\$ 3,756
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(3,756)	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

2013 PRE-K CLASSROOMS FUND - NO. 27177

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 369,877	\$ 369,877	\$ 27,337	\$ (342,540)
Expenditures:				
Capital outlay:				
Construction in progress	<u>369,877</u>	<u>369,877</u>	<u>80,087</u>	<u>289,790</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(52,750)	(52,750)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(52,750)	<u>\$ (52,750)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>52,750</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

STEM TEACHER INITIATIVE FUND - NO. 27181

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ 152	\$ 152
Expenditures:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			-	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

YOUTH CONSERVATION CORP FUND - NO. 28133

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 40,841	\$ 40,841	\$ 66,935	\$ 26,094
Expenditures:				
Current:				
Instruction	40,841	40,841	36,212	4,629
<i>Excess of revenues over expenditures</i>	-	-	30,723	30,723
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	30,723	\$ 30,723
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(17,798)	
Fund balance at end of the year (GAAP basis)			\$ 12,925	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

DWI NM FUND - NO. 28145
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 10,000	\$ 10,000	\$ -
Expenditures:				
Current:				
Instruction	2,474	12,474	7,564	4,910
<i>Excess (deficiency) of revenues over expenditures</i>	(2,474)	(2,474)	2,436	4,910
<i>Beginning cash balance budgeted</i>	2,474	2,474	-	(2,474)
Fund balance at beginning of the year	-	-	1,992	1,992
Fund balance at end of the year	\$ -	\$ -	4,428	\$ 4,428
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 4,428	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

GEAR UP FUND - NO. 28178
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	10,845	10,845	10,845	-
<i>Excess (deficiency) of revenues over expenditures</i>	(10,845)	(10,845)	(10,845)	-
<i>Beginning cash balance budgeted</i>	10,845	10,845	-	(10,845)
Fund balance at beginning of the year	-	-	10,845	10,845
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NATURAL HELPERS FUND - NO. 28195
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	2,654	2,654	-	2,654
<i>Excess (deficiency) of revenues over expenditures</i>	(2,654)	(2,654)	-	2,654
<i>Beginning cash balance budgeted</i>	2,654	2,654	-	(2,654)
Fund balance at beginning of the year	-	-	2,696	2,696
Fund balance at end of the year	\$ -	\$ -	2,696	\$ 2,696
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 2,696	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

LIFE LINK FUND - NO. 29102
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Contributions - private grants	\$ 33,495	\$ 33,495	\$ 32,498	\$ (997)
Expenditures:				
Current:				
Instruction	36,646	5,179	5,173	6
Support services:				
Students	-	31,467	29,656	1,811
Total expenditures	36,646	36,646	34,829	1,817
<i>Excess (deficiency) of revenues over expenditures</i>	(3,151)	(3,151)	(2,331)	820
<i>Beginning cash balance budgeted</i>	3,151	3,151	-	(3,151)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(2,331)	\$ (2,331)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			2,331	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

SUBSTANCE ABUSE ED FUND - NO. 29105

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ -	\$ 80	\$ 80
Expenditures:				
Current:				
Instruction	7,520	7,520	5,645	1,875
<i>Excess (deficiency) of revenues over expenditures</i>	(7,520)	(7,520)	(5,565)	1,955
<i>Beginning cash balance budgeted</i>	7,520	7,520	-	(7,520)
Fund balance at beginning of the year	-	-	7,520	7,520
Fund balance at end of the year	\$ -	\$ -	1,955	\$ 1,955
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 1,955	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

CITY/COUNTY GRANTS FUND - NO. 29107

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ 10,000	\$ 10,000	\$ -
Expenditures:				
Current:				
Community Services Operations	5,183	19,037	13,659	5,378
<i>Excess (deficiency) of revenues over expenditures</i>	(5,183)	(9,037)	(3,659)	5,378
<i>Beginning cash balance budgeted</i>	5,183	9,037	-	(9,037)
Fund balance at beginning of the year	-	-	9,037	9,037
Fund balance at end of the year	\$ -	\$ -	5,378	\$ 5,378
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 5,378	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

SCHOOL BASED HEALTH CENTER FUND - NO. 29130
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services:				
Students	10,449	10,449	-	10,449
<i>Excess (deficiency) of revenues over expenditures</i>	(10,449)	(10,449)	-	10,449
<i>Beginning cash balance budgeted</i>	10,449	10,449	-	(10,449)
Fund balance at beginning of the year	-	-	9,338	9,338
Fund balance at end of the year	\$ -	\$ -	9,338	\$ 9,338
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 9,338	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

EXEMPLARY SCHOOL BASED HEALTH CENTER FUND - NO. 29131
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services:				
Students	2,290	2,290	-	2,290
<i>Excess (deficiency) of revenues over expenditures</i>	(2,290)	(2,290)	-	2,290
<i>Beginning cash balance budgeted</i>	2,290	2,290	-	(2,290)
Fund balance at beginning of the year	-	-	2,290	2,290
Fund balance at end of the year	\$ -	\$ -	2,290	\$ 2,290
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 2,290	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

SPECIAL CAPITAL OUTLAY - FEDERAL FUND - NO. 31500
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay:				
Land and improvements	30,000	33,137	33,136	1
Construction in progress	<u>35,107</u>	<u>31,970</u>	<u>31,970</u>	<u>-</u>
Total expenditures	<u>65,107</u>	<u>65,107</u>	<u>65,106</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(65,107)	(65,107)	(65,106)	1
<i>Beginning cash balance budgeted</i>	65,107	65,107	-	(65,107)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>65,107</u>	<u>65,107</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1</u>	<u>\$ 1</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 1</u>	

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

ED TECH DEBT SERVICE FUND - NO. 43000

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 200	\$ 200	\$ 34	\$ (166)
Expenditures:				
Current:				
Support services:				
General Administration	100	100	-	100
Debt service:				
Reserves	53,964	53,964	-	53,964
Total expenditures	54,064	54,064	-	54,064
<i>Excess (deficiency) of revenues over expenditures</i>	(53,864)	(53,864)	34	53,898
<i>Beginning cash balance budgeted</i>	53,864	53,864	-	(53,864)
Fund balance at beginning of the year	-	-	53,956	53,956
Fund balance at end of the year	\$ -	\$ -	53,990	\$ 53,990
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(433)	
Change in due from other governments			(18)	
Change in deferred property taxes			432	
Fund balance at end of the year (GAAP basis)			\$ 53,971	

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2016

Activity		Balance			Transfers	Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>In / (Out)</u>	<u>June 30, 2016</u>
23904	HS Honor Society	\$ 62	\$ -	\$ -	\$ -	\$ 62
23905	Cheerleaders	2,630	18,637	21,266	-	1
23909	AutoCAD	-	-	-	-	-
23912	HS General	2,341	1,383	879	80	2,925
23914	Boys Basketball	838	4,228	3,014	-	2,052
23915	HS Library	737	402	779	-	360
23916	Girls Basketball	1,568	1,918	1,214	-	2,272
23917	HS Indian Club	2,931	75	128	-	2,878
23920	HS Science	-	1,349	1,348	-	1
23922	Swimming Pool	10,283	898	1,300	-	9,881
23923	HS Student Senate	1,169	826	1,499	-	496
23924	HS Vocational	1,306	100	624	-	782
23925	HS Yearbook	556	1,832	1,744	-	644
23928	MS General MS Incentive	3,277	349	3,000	-	626
23931	MS Library	753	908	-	-	1,661
23932	HS Counseling	80	-	-	(80)	-
23933	HS Volleyball	900	815	676	-	1,039
23934	MS Student Council	64	-	-	-	64
23935	MS Concession	671	2,062	2,312	-	421
23936	Elementary Fund	665	3,442	3,788	-	319
23937	Cross Country	912	673	953	-	632
23940	Track	615	202	675	-	142
23941	HS Special Ed	1,421	41	-	-	1,462
23942	National Jr. Honor Society	35	-	-	-	35
23944	Elementary Drug Education	399	449	139	-	709
23947	HS Football	1,370	2,619	1,804	-	2,185
23948	MS 8th Grade Girls Basketball	567	4,095	3,632	-	1,030
23950	Athletic Special Events	1,541	787	804	-	1,524
23954	Elementary PAC	1,218	-	-	-	1,218
23959	HS Concession	12,485	26,967	26,257	-	13,195
23964	Class of 2016	474	1,317	967	-	824
23968	Class of 2015	1,449	-	-	(1,449)	-
23970	District Student Activities	2,000	30	2,524	1,449	955
23971	HS Culinary Arts	2,008	4,863	4,806	-	2,065
23973	MS Boys Basketball	-	609	609	-	-
23974	Elementary Boys Basketball	-	693	258	-	435
23976	Elementary Yearbook	1,204	-	-	-	1,204
23993	Elementary Library	258	5,308	4,689	-	877
23998	MS Volleyball Fund	-	2,539	1,864	-	675
	Pooled cash and investments	<u>\$ 58,787</u>	<u>\$ 90,416</u>	<u>\$ 93,552</u>	<u>\$ -</u>	<u>\$ 55,651</u>
<u>LIABILITIES</u>						
	Deposits held for others	<u>\$ 58,787</u>	<u>\$ 90,416</u>	<u>\$ 93,552</u>	<u>\$ -</u>	<u>\$ 55,651</u>

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2016

	<u>Wells Fargo Bank</u>	<u>New Mexico Finance Authority</u>	<u>Total</u>
Cash on deposit at June 30, 2015:			
Checking and savings	\$ 3,905,232	\$ 597,685	\$ 4,502,917
Less: FDIC coverage	(250,000)	-	(250,000)
Uninsured funds	<u>\$ 3,655,232</u>	<u>\$ 597,685</u>	<u>\$ 4,252,917</u>
Amount requiring pledged collateral:			
50% collateral requirement	\$ 1,827,616	\$ 298,843	\$ 2,126,459
Pledged collateral	<u>2,423,533</u>	<u>597,685</u>	<u>3,021,218</u>
Excess (deficiency) of pledged collateral	<u>\$ 595,917</u>	<u>\$ 298,842</u>	<u>\$ 894,759</u>

Pledged collateral of financial institutions consists of the following at June 30, 2016

<u>Wells Fargo Bank:</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
FNMA	3/1/2043	3138W7GG3	\$ 723,757
FNMA	5/1/2031	3140F2P87	<u>1,699,776</u>
			<u>\$ 2,423,533</u>

The above securities are held at Bank of New York Mellon, New York, NY.

State of New Mexico:

Detail of the pledged collateral to the District is unavailable because the bank commingles pledged collateral for all state funds it holds. However, the State Treasurer's Office Collateral Bureau monitors the pledged collateral for all state funds.

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

CASH RECONCILIATION
Year Ended June 30, 2016

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 926,771	\$ 5,887,512	\$ 6,105,228	\$ (13,965)	\$ 695,090	\$ -	\$ 695,090
Teacherage	105,057	44,610	93,057	-	56,610	-	56,610
Transportation	17,645	609,004	626,615	(34)	-	-	-
Instructional Materials	6,653	37,888	33,999	-	10,542	-	10,542
Food Services	85,574	367,681	326,869	-	126,386	-	126,386
Athletics	19,120	48,847	57,046	-	10,921	-	10,921
Federal Flowthrough Funds	13,801	1,070,774	1,038,220	(35,420)	10,935	-	10,935
Federal Direct Funds	281,397	396,955	440,498	-	237,854	-	237,854
Local Grants	584	1,500	1,802	-	282	-	282
State Flowthrough Funds	-	222,798	286,683	63,885	-	-	-
State Direct Funds	15,533	76,935	54,620	(17,799)	20,049	-	20,049
Local/State	28,185	42,578	54,133	2,331	18,961	-	18,961
Bond Building	1,474,489	1,428	837,905	-	638,012	-	638,012
Special Capital Outlay - Federal	65,107	-	65,106	-	1	-	1
Capital Improvements SB-9	206,743	278,148	206,339	-	278,552	-	278,552
Debt Service	1,745,651	1,383,876	1,191,593	-	1,937,934	-	1,937,934
Ed Tech Debt Service	53,937	34	-	-	53,971	-	53,971
Agency Funds	-	-	-	-	-	55,651	55,651
Total	\$ 5,046,247	\$ 10,470,568	\$ 11,419,713	\$ (1,002)	\$ 4,096,100	\$ 55,651	\$ 4,151,751

Account Name	Account Type	Bank Name	Bank Amount	Adjustments to report:
Operational	Checking - Non-Interest	Wells Fargo Bank	\$ 3,905,232	Agency funds
Capital projects	Checking - Interest	NM Finance Authority	597,685	
			<u>4,502,917</u>	Adjustments to cash:
				Bank Balance
				Cash on hand
				Outstanding deposits
				Outstanding checks
				Errors
				Total adjustment to cash
				\$ 4,502,917
				\$ 55,651
				\$ 4,151,751

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

SCHEDULE OF VENDOR INFORMATION
 (Individual Purchases in Exceeding \$60,000, Excluding Gross Receipts Tax)
Year Ended June 30, 2016

Prepared by (Agency Staff Name): Rhiannon Chavez Title: Business Manager Date: September 12, 2016

RFI/RFP #	Type of Procurement	Awarded To	Amount of Awarded Contract	Amount of Amended Contract	Name and Physical Address of All Respondents	In-State / Out-of-State Vendor	Veteran's Preference N/A for Federal Funds	Scope of Work
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No RFI/RFPs issued during the year.

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COMPLIANCE SECTION

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

§

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of
Federal Awards Required By Uniform Guidance

§

Schedule of Findings and Questioned Costs:
Summary of Auditor's Results
Financial Statement Findings
Federal Award Findings

§

Summary Schedule of Prior Year Audit Findings

§

Schedule of Expenditures of Federal Awards
Notes to the Schedule of Expenditures of Federal Awards

§

Required Disclosure

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' REPORT

Tim Keller, State Auditor
The Board of Education and
The Audit Committee of Cuba Independent School District No. 62

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Cuba Independent School District No. 62 as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Cuba Independent School District No. 62's basic financial statements, and the combining and individual funds and related budgetary comparisons of Cuba Independent School District No. 62, presented as supplemental information, and have issued our report thereon dated September 16, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered Cuba Independent School District No. 62'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 Cuba Independent School District No. 62's internal control. Accordingly, we do not express an opinion on the effectiveness of Cuba Independent School District No. 62's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Cuba Independent School District No. 62's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a *material weakness*, yet important enough to merit attention by those charged with governance.

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

Tim Keller, State Auditor
The Board of Education and
The Audit Committee of Cuba Independent School District No. 62

Compliance and other matters

As part of obtaining reasonable assurance about whether Cuba Independent School District No. 62'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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Cuba Independent School District No. 62'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.

Accounting & Financial Solutions, LLC
Farmington, New Mexico
September 16, 2016

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Tim Keller, State Auditor
The Board of Education and
The Audit Committee of Cuba Independent School District No. 62

Report on Compliance for Each Major Federal Program

We have audited Cuba Independent School District No. 62's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cuba Independent School District No. 62's major federal programs for the year ended June 30, 2016. Cuba Independent School District No. 62's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cuba Independent School District No. 62's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and 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 Cuba Independent School District No. 62'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 Cuba Independent School District No. 62's compliance.

Opinion on Each Major Federal Program

In our opinion, Cuba Independent School District No. 62 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Tim Keller, State Auditor
The Board of Education and
The Audit Committee of Cuba Independent School District No. 62

Report on Internal Control Over Compliance

Management of Cuba Independent School District No. 62 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 Cuba Independent School District No. 62's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cuba Independent School District No. 62's internal control over compliance.

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

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

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

Accounting & Financial Solutions, LLC
Farmington, New Mexico
September 16, 2016

SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

STATE OF NEW MEXICO
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Pass - Through <u>Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	Pass-Through Entity Identifying <u>Number</u>	Passed To <u>Subrecipients</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture:					
Direct Program:					
Forest Reserve	10.670	11000	\$ -		\$ <u>3,897</u>
Pass-Through Program From:					
New Mexico Department of Education:					
<u>Child Nutrition Cluster:</u>					
USDA National School Lunch Program	10.555	21000	-	\$ 215,380	
USDA School Breakfast Program	10.553	21000	-	<u>110,184</u>	
Total Child Nutrition Cluster					325,564
Pass-Through Program From:					
New Mexico Human Service Department:					
USDA Commodities Program	10.550	21000	-		<u>22,883</u>
<i>Subtotal Pass-Through Programs</i>					<u>348,447</u>
<i>Total U.S. Department of Agriculture</i>					<u>352,344</u>
U.S. Department of Interior					
Pass-Through Programs From:					
Office of the Navajo Nation:					
Johnson O'Malley	15.130	25131			<u>20,782</u>
U.S. Department of Education:					
Direct Programs:					
Operational	84.041	11000			838,071
Impact Aid Special Education	84.041	25145			53,838
Impact Aid Indian Education	84.041	25147			242,354
Special Capital Outlay - Federal	84.040	31500			65,106
Indian Ed Formula Grant	84.060	25184			60,905
Literacy through School Libraries	84.364	25235			<u>17,471</u>
<i>Subtotal Direct Programs</i>					<u>1,277,745</u>
Pass-Through Programs From:					
New Mexico Department of Education:					
<u>Special Education (IDEA) Cluster:</u>					
Entitlement IDEA-B	84.027	24106	-	201,699	
Preschool IDEA-B	84.173	24109	-	<u>5,540</u>	
Total Special Education (IDEA) Cluster					207,239
Title I	84.010	24101	-		679,492
Title III English Language	84.365	24153	-		23,990
Title II Teacher Quality	84.367	24154	-		86,548
Title I School Improvement	84.010	24162	-		<u>25,952</u>
<i>Subtotal Pass-Through Programs</i>					<u>1,023,221</u>
<i>Total U.S. Department of Education</i>					<u>2,300,966</u>
U.S. Department of Health and Human Services:					
Pass-Through Program From:					
New Mexico Department of Health:					
Title XIX Medicaid	93.778	25153	-		<u>44,816</u>
Total Expenditures of Federal Awards			<u>\$ -</u>		<u>\$ 2,718,908</u>

See the accompanying notes to the Schedule of Expenditures of Federal Awards.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2016

1. Scope of audit pursuant to OMB Uniform Grant Guidance

All federal grant operations of Cuba Independent School District No. 62 (the “District”) are included in the scope of the Office of management and Budget (“OMB”) Uniform Grant Guidance audit (the “Single Audit”). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised August 2016 the “Compliance Supplement”). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal year 2016 cash and non-cash expenditures to ensure coverage of at least 20% (LOW risk auditee) of federally granted funds. Actual coverage is approximately 44% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$2,696,025 and all non-cash expenditures amounted to \$22,883.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2016 Expenditure</u>
Cash assistance:	
P.L. 42 Impact Aid Special/Indian Education	\$ 1,199,369

The District had one federal program, Impact Aid, that was considered a high risk Type A programs for the 2016.

The U.S. Department of Education is the District’s oversight agency for single audit.

2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Grant Guidance. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position and changes in net position of the District. All federal programs considered active during the year ended June 30, 2016, are reflected on the Schedule. An active federal program is defined as a federal program for which there were receipts or disbursements of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year. The Schedule is prepared using the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the District has met the qualifications for the respective grant. Grant revenues for the Food Donation Program are based upon commodities received, at amounts per standard price listing, published quarterly by the United States Department of Agriculture (the “USDA”). In addition, there is no federal insurance in effect during the year and loan or loan guarantee outstanding at year end.

Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

3. Reconciliation of Federal Awards to Expenditure of Federal Awards

The differences between the federal awards received (Intergovernmental sources – federal) during the year ended June 30, 2016 and the federal awards expended during the year are as follows:

Federal sources	\$ 2,633,262
Indirect costs from federal programs	-
Unexpended federal sources from current year	(211,302)
Prior year federal sources expended	296,948
Total expenditures of federal awards	\$ 2,718,908

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016

4. Unexpended Federal Awards

There were federal awards received during the year ended June 30, 2016 that were not expended during the year. These awards will be reported in subsequent years when they have been expended. Those amounts are as follows:

	<u>CFDA#</u>	<u>Fund#</u>	PY Federal Sources		Unexpended Awards		
			Carryover	Expended	Carryover	2016	Total
			<u>During 2016</u>	<u>From PY</u>	<u>Awards</u>		<u>Total</u>
Food Service	10.555	21000	\$ 36,304	\$ -	\$ 42,948		\$ 42,948
Impact Aid Special Education	84.041	25145	36,228	-	19,066		19,066
Impact Aid Indian Education	84.041	25147	114,011	-	80,353		80,353
Title XIX Medicaid	93.778	25153	102,064	57,248	66,986		124,234
Indian Ed Formula Grant	84.06	25184	483	-	1,949		1,949
Special Capital Outlay - Federal	84.04	31500	65,107	1	-		1
			<u>\$ 354,197</u>	<u>\$ 57,249</u>	<u>\$ 211,302</u>		<u>\$ 268,551</u>

5. Federal Awards Receivable

There are federal programs that have not received reimbursement for expenditures made within those programs. The District expects to receive all reimbursement of federal awards in the following year. The following programs reported a receivable for the expenditures that had not been reimbursed as of June 30, 2016.

	<u>CFDA#</u>	<u>Fund#</u>	
USDA Child Nutrition Cluster	10.555	21000	\$ 5,438
Title I	84.010	24101	185,707
Entitlement IDEA-B	84.027	24106	100,750
Title III English Language	84.365	24153	31,216
Title II Teacher Quality	84.367	24154	20,736
Title I School Improvement	84.010	24162	4,209
			<u>\$ 348,056</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2016

I. SUMMARY OF AUDIT RESULTS

	<u>Yes</u>	<u>No</u>	<u>Occurrences</u>
FINANCIAL STATEMENTS:			
Type of auditor's report issued: <u>Unmodified</u>			
Internal control over financial reporting:			
Material weakness(es) identified?	—	✓	—
Significant Deficiency(ies) identified?	—	✓	—
Noncompliance material to financial statements noted?	—	✓	—
FEDERAL AWARDS:			
Internal control over major programs:			
Material weakness(es) identified?	—	✓	—
Significant Deficiency(ies) identified?	—	✓	—
Type of auditor's report issued on compliance with major programs: <u>Unmodified</u>			
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance?	—	✓	—
The programs treated as major programs include:			
<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>		
Impact Aid	84.041 & 84.040		
The threshold for distinguishing types A and B programs: <u>\$750,000</u>			
Auditee qualified as low-risk auditee?	✓	—	

II. FINDINGS RELATED TO FINANCIAL STATEMENTS

There were not any findings to be reported relating to the financial statements.

III. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were not any findings required to be reported relating to federal awards.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2016

I. NOT RESOLVED

There were not any findings to be reported from the prior year.

II. RESOLVED

2015 – 001 PURCHASE BEFORE PURCHASE ORDER
Current Status: Resolved. Not repeated in the current year.

REQUIRED DISCLOSURES

Year Ended June 30, 2016

The financial statements were prepared by the independent public accountants.

An exit conference was held September 26, 2016 during which the audit findings were discussed. The exit conference was attended by the following individuals:

CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

Dianna Maestas	President, Board of Education / Audit Committee
Rhiannon Chavez	Business Manager; Member, Audit Committee

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
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