

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2017
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



ACCOUNTING & FINANCIAL
SOLUTIONS
CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION

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OFFICIAL ROSTER

June 30, 2017

BOARD OF EDUCATION

Adam J. Begaye	President
Sheldon Pickering	Vice-President
Christina J. Aspaas	Secretary
Ruthda W. Thomas	Member
Charlie T. Jones, Jr.	Member

SCHOOL OFFICIALS

Dr Bowman	Superintendent
Cheryl Thompson	Finance Director
Kristy Stock	Federal Programs
Shannon Vigil	AP Specialist
Marilyn Wilson	Payroll Specialist

AUDIT COMMITTEE

Rutha Thomas	Member
Randy Manning	Member
George Murphy	Member
Dekovan Cook	Member
Jeanie Tsipi	Member

FINANCE COMMITTEE

Adam J. Begaye	Member
Christina J. Aspaas	Member
Gary Jay	Member
Leah Guillory	Member
Fannie Atcitty	Member

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FINANCIAL SECTION

FISCAL YEAR 2017

JULY 1, 2016 THROUGH JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

Tim Keller, State Auditor,
The Board of Education and Audit Committee of
Central Consolidated Schools

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 Central Consolidated Schools, as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise Central Consolidated Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Central Consolidated Schools' 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 Central Consolidated Schools, as of June 30, 2017, 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.

Tim Keller, State Auditor,
The Board of Education and Audit Committee of
Central Consolidated Schools

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. Accounting principles generally accepted in the United States of America also require that the Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions on page 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. 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 the financial statements that collectively comprise the Central Consolidated Schools' basic financial statements. The other supplemental information such as the combining and individual general fund financial statements, and schedules required by 2.2.2.NMAC, and the other information, such as 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* 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, combining and individual general fund financial statements, individual nonmajor fund financial statements and 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, combining and individual general fund financial statements and schedules required by 2.2.2.NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 10, 2017 on our consideration of the Central Consolidated Schools' 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 Central Consolidated Schools' internal control over financial reporting and compliance.

Accounting & Financial Solutions, LLC
Farmington, New Mexico
November 10, 2017

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

STATEMENT OF NET POSITION
June 30, 2017

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 29,868,670
Investments	1,250,106
Receivables:	
Delinquent property taxes receivable	161,114
Grant	2,221,244
Other receivables	8,473
Due from other governments	30,077
Fuel inventory	269,064
Food inventory	70,673
Non-current:	
Non-depreciable assets	1,875,162
Depreciable capital assets, net	<u>192,331,468</u>
Total Assets	<u>228,086,051</u>
Deferred Outflows of Resources:	
Contributions to pension subsequent to the measurement date	5,565,605
Difference between expected and actual experience	448,649
Net difference between projected and actual investment earnings on plan investments	6,172,966
Net change in pension assumptions	2,105,098
Net change in proportionate share of pension liability	<u>2,867,712</u>
Total Deferred Outflows of Resources	<u>17,160,030</u>
Liabilities	
Accounts payable	792,631
Accrued interest	560,742
Due to agency funds	2,170
Deposits held for others	39,996
Compensated absences	523,811
Long-term liabilities other than pensions:	
Due within one year	4,819,611
Due in more than one year	41,119,338
Aggregate net pension liability	<u>103,414,190</u>
Total Liabilities	<u>151,272,489</u>
Deferred Inflows of Resources	
Advances of federal, state, and local grants	239,926
Gain on advanced bond refunding	13,005
Difference between expected and actual experience	983,599
Net change in proportionate share of pension liability	<u>1,759,307</u>
Total Deferred Inflows of Resources	<u>2,995,837</u>
Net Position	
Net investment in capital assets	139,936,807
Restricted for:	
Inventories	339,737
Special revenue funds	7,050,924
Capital projects	17,770,161
Debt service	5,132,414
Unrestricted	<u>(79,252,288)</u>
Total Net Position	<u>\$ 90,977,755</u>

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

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

STATEMENT OF ACTIVITIES
 Year Ended June 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	
Primary government:						
Governmental activities:						
Instruction	\$ 47,482,831	\$ 1,182,204	\$ 20,794,956	\$ 5,932,634	\$ (19,573,037)	
Support Services - Students	6,819,239	271,867	2,986,464	-	(3,560,908)	
Support Services - Instruction	3,038,656	-	1,330,770	-	(1,707,886)	
Support Services - General Administration	2,079,590	-	910,750	8,695	(1,160,145)	
Support Services - School Administration	4,051,672	-	1,774,417	-	(2,277,255)	
Central Services	3,103,967	-	1,359,373	-	(1,744,594)	
Operations & Maintenance of Plant	12,928,708	-	5,662,087	-	(7,266,621)	
Student Transportation	2,446,392	-	1,990,118	-	(456,274)	
Other Support Services	6,599	-	2,890	-	(3,709)	
Food Services	3,783,359	66,795	3,904,801	-	188,237	
Community Services	584,593	-	256,021	-	(328,572)	
Bond interest paid	1,183,160	-	-	-	(1,183,160)	
Refunds	56,890	-	-	-	(56,890)	
Total governmental activities	\$ 87,565,656	\$ 1,520,866	\$ 40,972,647	\$ 5,941,329	(39,130,814)	
General revenues:						
Taxes:						
Property Taxes:						
General purposes						404,105
Capital projects						1,616,455
Debt service						5,512,925
Oil and gas						22,902
State equalization						29,952,888
Grants and contributions not restricted						148,789
Miscellaneous income						569,289
Total general revenues						29,451,337
<i>Change in net position</i>						<u>(9,679,477)</u>
Net position - beginning						100,772,286
Restatement						(115,054)
Net position - beginning as restated						<u>100,657,232</u>
Net position - ending						<u>\$ 90,977,755</u>

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

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

GOVERNMENTAL FUNDS

Balance Sheet
June 30, 2017

	General <u>Fund</u>	Title I <u>Fund #24101</u>	Bond Building <u>Fund #31100</u>
Assets			
Cash and cash equivalents	\$ 8,928,376	\$ -	\$ 6,507,021
Investments	-	-	1,250,106
Receivables:			
Property taxes	7,708	-	-
Grant	-	1,067,749	-
Other receivables	8,473	-	-
Due from other governments	1,500	-	-
Due from other funds	2,089,787	-	-
Fuel inventory	269,064	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 11,304,908</u>	<u>\$ 1,067,749</u>	<u>\$ 7,757,127</u>
 Liabilities, deferred inflows, and fund balance			
Liabilities:			
Accounts payable	\$ 725,089	\$ 42,384	\$ -
Due to other funds	-	1,025,365	-
Due to agency funds	2,170	-	-
Deposits held for others	<u>39,996</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>767,255</u>	<u>1,067,749</u>	<u>-</u>
 Deferred inflows of resources:			
Advances of federal, state, and local grants	-	-	-
Delinquent property taxes	<u>6,996</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>6,996</u>	<u>-</u>	<u>-</u>
 Fund balance:			
Non-spendable:			
Inventories	269,064	-	-
Restricted for:			
Special revenue funds	-	-	-
Capital projects funds	-	-	7,757,127
Debt service	-	-	-
Unassigned	<u>10,261,593</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>10,530,657</u>	<u>-</u>	<u>7,757,127</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 11,304,908</u>	<u>\$ 1,067,749</u>	<u>\$ 7,757,127</u>

(cont'd; 1 of 2)

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

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

GOVERNMENTAL FUNDS

Balance Sheet
June 30, 2017

	Debt Service Fund #41000	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 4,991,598	\$ 9,441,675	\$ 29,868,670
Investments	-	-	1,250,106
Receivables:			
Property taxes	118,710	34,696	161,114
Grant	-	1,153,495	2,221,244
Other receivables	-	-	8,473
Due from other governments	22,106	6,471	30,077
Due from other funds	-	-	2,089,787
Fuel inventory	-	-	269,064
Food inventory	-	70,673	70,673
Total assets	<u>\$ 5,132,414</u>	<u>\$ 10,707,010</u>	<u>\$ 35,969,208</u>
 Liabilities, deferred inflows, and fund balance			
Liabilities:			
Accounts payable	\$ -	\$ 25,158	\$ 792,631
Due to other funds	-	1,064,422	2,089,787
Due to agency funds	-	-	2,170
Deposits held for others	-	-	39,996
Total liabilities	<u>-</u>	<u>1,089,580</u>	<u>2,924,584</u>
Deferred inflows of resources:			
Advances of federal, state, and local grants	-	239,926	239,926
Delinquent property taxes	107,962	31,551	146,509
Total deferred inflows of resources	<u>107,962</u>	<u>271,477</u>	<u>386,435</u>
Fund balance:			
Non-spendable:			
Inventories	-	70,673	339,737
Restricted for:			
Special revenue funds	-	7,050,924	7,050,924
Capital projects funds	-	2,224,356	9,981,483
Debt service	5,024,452	-	5,024,452
Unassigned	-	-	10,261,593
Total fund balance	<u>5,024,452</u>	<u>9,345,953</u>	<u>32,658,189</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 5,132,414</u>	<u>\$ 10,707,010</u>	<u>\$ 35,969,208</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

RECONCILIATION OF THE BALANCE SHEET - ALL GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
June 30, 2017

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

Fund balances - total governmental funds	\$	32,658,189
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		317,241,060
Accumulated depreciation		(123,034,430)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		146,509
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Contributions to pension subsequent to the measurement date		5,565,605
Difference between expected and actual experience		448,649
Net difference between projected and actual investment earnings on plan investments		6,172,966
Net change in pension assumptions		2,105,098
Net change in proportionate share of pension liability		2,867,712
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		(44,726,220)
Accrued interest payable		(560,742)
Accrued vacation payable		(523,811)
Bond premiums		(1,212,729)
Net pension liability		(103,414,190)
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Gain on advanced bond refunding		(13,005)
Difference between expected and actual experience		(983,599)
Net change in proportionate share of pension liability		<u>(1,759,307)</u>
Net position of governmental activities	\$	<u><u>90,977,755</u></u>

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2017

	General <u>Fund</u>	Title I <u>Fund #24101</u>	Bond Building <u>Fund #31100</u>
Revenues:			
Taxes:			
Property	\$ 403,848	\$ -	\$ -
Oil and gas	1,227	-	-
Intergovernmental - federal grants	18,700,843	3,138,390	-
Intergovernmental - state grants	32,378,246	-	-
Contributions - private grants	123,987	-	-
Charges for services	535,213	-	-
Investment and interest income	37,544	-	-
Miscellaneous	<u>519,705</u>	<u>-</u>	<u>-</u>
Total revenues	<u>52,700,613</u>	<u>3,138,390</u>	<u>-</u>
Expenditures:			
Current:			
Instruction	32,645,983	2,359,308	-
Support services:			
Students	4,563,316	3,007	-
Instruction	1,141,867	592,591	-
General Administration	1,506,558	90,416	-
School Administration	3,641,327	-	-
Central Services	2,473,174	-	-
Operation & Maintenance of Plant	9,732,079	-	-
Student transportation	2,013,434	-	-
Other Support services	6,020	-	-
Food services operations	-	-	-
Community services	90,088	35,942	-
Capital outlay	490,286	57,126	5,281,596
Debt service:			
Principal retirement	-	-	-
Bond interest paid	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>58,304,132</u>	<u>3,138,390</u>	<u>5,281,596</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,603,519)</u>	<u>-</u>	<u>(5,281,596)</u>
Other financing sources and financing uses:			
Sale of bonds	-	-	46,605
Refunds	(56,890)	-	-
Transfers In	724,297	-	-
Transfers out	<u>(1,428,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources and financing uses	<u>(760,593)</u>	<u>-</u>	<u>46,605</u>
<i>Net change in fund balance</i>	<u>(6,364,112)</u>	<u>-</u>	<u>(5,234,991)</u>
Fund balance as previously reported	17,009,823	-	12,992,118
Restatement	<u>(115,054)</u>	<u>-</u>	<u>-</u>
Fund balance as restated	<u>16,894,769</u>	<u>-</u>	<u>12,992,118</u>
Fund balance at end of the year	<u>\$ 10,530,657</u>	<u>\$ -</u>	<u>\$ 7,757,127</u>

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

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2017

	<u>Debt Service</u> <u>Fund #41000</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Taxes:			
Property	\$ 5,522,539	\$ 1,619,182	\$ 7,545,569
Oil and gas	16,763	4,912	22,902
Intergovernmental - federal grants	-	14,926,644	36,765,877
Intergovernmental - state grants	-	7,675,492	40,053,738
Contributions - private grants	-	24,802	148,789
Charges for services	-	985,653	1,520,866
Investment and interest income	9,705	-	47,249
Miscellaneous	-	2,979	522,684
Total revenues	<u>5,549,007</u>	<u>25,239,664</u>	<u>86,627,674</u>
Expenditures:			
Current:			
Instruction	-	5,453,699	40,458,990
Support services:			
Students	-	1,654,301	6,220,624
Instruction	-	1,012,208	2,746,666
General Administration	55,173	244,890	1,897,037
School Administration	-	54,676	3,696,003
Central Services	-	358,317	2,831,491
Operation & Maintenance of Plant	-	2,061,706	11,793,785
Student transportation	-	218,206	2,231,640
Other Support services	-	-	6,020
Food services operations	-	3,451,244	3,451,244
Community services	-	407,246	533,276
Capital outlay	-	6,633,275	12,462,283
Debt service:			
Principal retirement	4,583,955	-	4,583,955
Bond interest paid	1,488,993	-	1,488,993
Other	695	-	695
Total expenditures	<u>6,128,816</u>	<u>21,549,768</u>	<u>94,402,702</u>
<i>Excess (deficiency) of revenues</i> <i>over expenditures</i>	<u>(579,809)</u>	<u>3,689,896</u>	<u>(7,775,028)</u>
Other financing sources and financing uses:			
Sale of bonds	-	-	46,605
Refunds	-	-	(56,890)
Transfers In	714,000	36,535	1,474,832
Transfers out	-	(46,832)	(1,474,832)
Total other financing sources and financing uses	<u>714,000</u>	<u>(10,297)</u>	<u>(10,285)</u>
<i>Net change in fund balance</i>	<u>134,191</u>	<u>3,679,599</u>	<u>(7,785,313)</u>
Fund balance as previously reported	4,890,261	5,666,354	40,558,556
Restatement	-	-	(115,054)
Fund balance as restated	<u>4,890,261</u>	<u>5,666,354</u>	<u>40,443,502</u>
Fund balance at end of the year	<u>\$ 5,024,452</u>	<u>\$ 9,345,953</u>	<u>\$ 32,658,189</u>

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

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2017

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

Net change in fund balance - total governmental funds	\$ (7,785,313)
<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	12,462,283
Depreciation	(7,577,937)
<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, 2016	(158,593)
June 30, 2017	146,509
<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	4,583,955
Bond premium amortization	195,283
<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, 2016	498,564
June 30, 2017	(523,811)
<p>Accrued interest at:</p>	
June 30, 2016	667,652
June 30, 2017	(560,742)
Deferred contributions to pension plan	5,565,605
Pension expense	<u>(8,421,251)</u>
Change in net position of governmental activities	<u>\$ (9,679,477)</u>

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 364,856	\$ 364,856	\$ 403,178	\$ 38,322
Oil and gas	3,613	3,613	1,177	(2,436)
Intergovernmental - federal grants	18,159,229	18,159,229	18,700,843	541,614
Intergovernmental - state grants	30,975,140	29,746,247	32,378,246	2,631,999
Contributions - private grants	6,000	6,000	123,987	117,987
Charges for services	586,903	586,903	501,097	(85,806)
Investment and interest income	50,000	50,000	37,544	(12,456)
Miscellaneous	500,000	500,000	519,705	19,705
Total revenues	50,645,741	49,416,848	52,665,777	3,248,929
Expenditures:				
Current:				
Instruction	35,661,047	33,063,170	32,637,243	425,927
Support services:				
Students	4,626,223	4,545,765	4,568,448	(22,683)
Instruction	1,378,233	1,232,632	1,142,093	90,539
General Administration	1,875,073	1,865,073	1,505,258	359,815
School Administration	4,288,983	3,941,483	3,645,052	296,431
Central Services	1,934,306	2,542,806	2,472,756	70,050
Operation & Maintenance of Plant	8,568,707	10,172,349	9,621,052	551,297
Student transportation	2,483,813	2,191,116	2,072,942	118,174
Other Support services	232,828	127,328	6,020	121,308
Community services	83,369	95,369	90,088	5,281
Capital outlay	1,330,843	1,382,166	490,286	891,880
Total expenditures	62,463,425	61,159,257	58,251,238	2,908,019
<i>Excess (deficiency) of revenues over expenditures</i>	(11,817,684)	(11,742,409)	(5,585,461)	6,156,948

(cont'd; 1 of 2)

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Other financing sources and uses:				
Refunds	-	-	(56,890)	(56,890)
Transfers In	-	-	714,000	714,000
Transfers out	-	-	(1,428,000)	(1,428,000)
Total other financing sources and uses	-	-	(770,890)	(770,890)
<i>Net change in fund balance</i>	(11,817,684)	(11,742,409)	(6,356,351)	5,386,058
<i>Beginning cash balance budgeted</i>	11,817,684	11,742,409	-	(11,742,409)
Fund balance as previously reported	-	-	17,009,823	17,009,823
Restatement	-	-	(115,054)	(115,054)
Fund balance as restated	-	-	16,894,769	16,894,769
Fund balance at end of the year	\$ -	\$ -	10,538,418	\$ 10,538,418
RECONCILIATION TO GAAP BASIS:				
Change in inventory			54,447	
Change in property tax receivable			339	
Change in due from other governments			638	
Change in payables			(75,304)	
Change in accrued liabilities			12,376	
Change in deferred property taxes			(257)	
Fund balance at end of the year (GAAP basis)			\$ 10,530,657	

(2 of 2)

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

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, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 2,984,898	\$ 3,604,176	\$ 3,169,034	\$ (435,142)
Miscellaneous	-	-	582	582
Total revenues	<u>2,984,898</u>	<u>3,604,176</u>	<u>3,169,616</u>	<u>(434,560)</u>
Expenditures:				
Current:				
Instruction	2,189,593	2,649,116	2,382,774	266,342
Support services:				
Students	154,118	3,007	3,007	-
Instruction	499,426	685,537	592,456	93,081
General Administration	89,469	108,031	90,416	17,615
School Administration	-	10,000	-	10,000
Community services	52,292	58,485	35,942	22,543
Capital outlay	-	90,000	57,126	32,874
Total expenditures	<u>2,984,898</u>	<u>3,604,176</u>	<u>3,161,721</u>	<u>442,455</u>
<i>Excess of revenues over expenditures</i>	-	-	7,895	7,895
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>7,895</u>	<u>\$ 7,895</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(31,226)	
Change in payables			61,041	
Change in accrued liabilities			(37,710)	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2017

ASSETS

Pooled cash and investments	\$	833,670
Due from other funds		<u>2,170</u>
Total assets	\$	<u>835,840</u>

LIABILITIES

Deposits held for others	\$	<u>835,840</u>
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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2017

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

Net change in fund balance - total governmental funds	\$ (7,785,313)
<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	12,462,283
Depreciation	(7,577,937)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Deferred property taxes at:	
June 30, 2016	(158,593)
June 30, 2017	146,509
<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	4,583,955
Bonds sold	(46,605)
Bond premium amortization	195,283
<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>	
Compensated absences at:	
June 30, 2016	498,564
June 30, 2017	(523,811)
Accrued interest at:	
June 30, 2016	667,652
June 30, 2017	(560,742)
Deferred contributions to pension plan	5,556,865
Pension expense	<u>(8,421,251)</u>
Change in net position of governmental activities	<u>\$ (9,734,822)</u>

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 364,856	\$ 364,856	\$ 403,178	\$ 38,322
Oil and gas	3,613	3,613	1,177	(2,436)
Intergovernmental - federal grants	18,159,229	18,159,229	18,700,843	541,614
Intergovernmental - state grants	30,975,140	29,746,247	32,378,246	2,631,999
Contributions - private grants	6,000	6,000	123,987	117,987
Charges for services	586,903	586,903	501,097	(85,806)
Investment and interest income	50,000	50,000	37,544	(12,456)
Miscellaneous	500,000	500,000	519,705	19,705
Total revenues	50,645,741	49,416,848	52,665,777	3,248,929
Expenditures:				
Current:				
Instruction	35,661,047	33,063,170	32,637,243	425,927
Support services:				
Students	4,626,223	4,545,765	4,568,448	(22,683)
Instruction	1,378,233	1,232,632	1,142,093	90,539
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School Administration	4,288,983	3,941,483	3,645,052	296,431
Central Services	1,934,306	2,542,806	2,472,756	70,050
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Capital outlay	1,330,843	1,382,166	490,286	891,880
Total expenditures	62,463,425	61,159,257	58,251,238	2,908,019
<i>Excess (deficiency) of revenues over expenditures</i>	(11,817,684)	(11,742,409)	(5,585,461)	6,156,948

(cont'd; 1 of 2)

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

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Other financing uses:				
Refunds	-	-	(56,890)	(56,890)
Transfers In	-	-	714,000	714,000
Transfers out	-	-	(1,428,000)	(1,428,000)
Total other financing uses	-	-	(770,890)	(770,890)
<i>Net change in fund balance</i>	(11,817,684)	(11,742,409)	(6,356,351)	5,386,058
<i>Beginning cash balance budgeted</i>	11,817,684	11,742,409	-	(11,742,409)
Fund balance as previously reported	-	-	17,009,823	17,009,823
Restatement	-	-	(115,054)	(115,054)
Fund balance as restated	-	-	16,894,769	16,894,769
Fund balance at end of the year	\$ -	\$ -	10,538,418	\$ 10,538,418
RECONCILIATION TO GAAP BASIS:				
Change in inventory			54,447	
Change in property tax receivable			339	
Change in due from other governments			638	
Change in payables			(75,304)	
Change in accrued liabilities			12,376	
Change in deferred property taxes			(257)	
Fund balance at end of the year (GAAP basis)			\$ 10,530,657	

(2 of 2)

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

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, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 2,984,898	\$ 3,604,176	\$ 3,169,034	\$ (435,142)
Miscellaneous	-	-	582	582
Total revenues	<u>2,984,898</u>	<u>3,604,176</u>	<u>3,169,616</u>	<u>(434,560)</u>
Expenditures:				
Current:				
Instruction	2,189,593	2,649,116	2,382,774	266,342
Support services:				
Students	154,118	3,007	3,007	-
Instruction	499,426	685,537	592,456	93,081
General Administration	89,469	108,031	90,416	17,615
School Administration	-	10,000	-	10,000
Community services	52,292	58,485	35,942	22,543
Capital outlay	-	90,000	57,126	32,874
Total expenditures	<u>2,984,898</u>	<u>3,604,176</u>	<u>3,161,721</u>	<u>442,455</u>
<i>Excess of revenues over expenditures</i>	-	-	7,895	7,895
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>7,895</u>	<u>\$ 7,895</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(31,226)	
Change in payables			61,041	
Change in accrued liabilities			(37,710)	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2017

ASSETS

Pooled cash and investments	\$	833,670
Due from other funds		<u>2,170</u>
Total assets	\$	<u>835,840</u>

LIABILITIES

Deposits held for others	\$	<u>833,670</u>
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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Central Consolidated Schools (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 Towns of Shiprock, Kirtland, Newcomb, Naschitti, and Ojo Amarillo, 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.

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 Central Consolidated Schools' 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. Implementation of New Accounting Principles

During fiscal year 2017, the District adopted the following Governmental Accounting Standards Board (GASB) Statements:

- **GASB Statement No. 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 Statement No. 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

B. Implementation of New Accounting Principles (cont'd)

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.

- **GASB Statement No. 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.

- **GASB Statement No. 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

B. Implementation of New Accounting Principles (cont'd)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- **GASB Statement No. 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.
- **GASB Statement No. 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.

- **GASB Statement No. 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

B. Implementation of New Accounting Principles (cont'd)

- **GASB Statement No. 83, *Certain Asset Retirement Obligations*** - This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. The best estimate should include probability weighting of all potential outcomes, when such information is available or can be obtained at reasonable cost. If probability weighting is not feasible at reasonable cost, the most likely amount should be used. This Statement requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement.

This Statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. In addition, it requires a government to evaluate all relevant factors at least annually to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays. A government should remeasure an ARO only when the result of the evaluation indicates there is a significant change in the estimated outlays. The deferred outflows of resources should be reduced and recognized as outflows of resources (for example, as an expense) in a systematic and rational manner over the estimated useful life of the tangible capital asset.

A government may have a minority share (less than 50 percent) of ownership interest in a jointly owned tangible capital asset in which a nongovernmental entity is the majority owner and reports its ARO in accordance with the guidance of another recognized accounting standards setter. Additionally, a government may have a minority share of ownership interest in a jointly owned tangible capital asset in which no joint owner has a majority ownership, and a nongovernmental joint owner that has operational responsibility for the jointly owned tangible capital asset reports the associated ARO in accordance with the guidance of another recognized accounting standards setter. In both situations, the government's minority share of an ARO should be reported using the measurement produced by the nongovernmental majority owner or the nongovernmental minority owner that has operational responsibility, without adjustment to conform to the liability measurement and recognition requirements of this Statement.

In some cases, governments are legally required to provide funding or other financial assurance for their performance of asset retirement activities. This Statement requires disclosure of how those funding and assurance requirements are being met by a government, as well as the amount of any assets restricted for payment of the government's AROs, if not separately displayed in the financial statements. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018 (FYE June 30, 2019). Earlier application is encouraged.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

B. Implementation of New Accounting Principles (cont'd)

- **GASB Statement No. 84, *Fiduciary Activities*** – This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 (FYE June 30, 2020). Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied retroactively by restating financial statements, if practicable, for all prior periods presented. If restatement for prior periods is not practicable, the cumulative effect, if any, of applying this Statement should be reported as a restatement of beginning net position (or fund balance or fund net position, as applicable) for the earliest period restated. In the first period that this Statement is applied, the notes to the financial statements should disclose the nature of the restatement and its effect. Also, the reason for not restating prior periods presented should be disclosed.

- **GASB Statement No. 85, Omnibus 2017** – The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and “negative” goodwill • Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017 (FYE June 30, 2018). Earlier application is encouraged.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

B. Implementation of New Accounting Principles (cont'd)

- **GASB Statement No. 86, Certain Debt Extinguishment Issues** – The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

In-Substance Defeasance of Debt Using Only Existing Resources Statement No. 7, Advance Refundings Resulting in Defeasance of Debt, requires that debt be considered defeased in substance when the debtor irrevocably places cash or other monetary assets acquired with refunding debt proceeds in a trust to be used solely for satisfying scheduled payments of both principal and interest of the defeased debt. The trust also is required to meet certain conditions for the transaction to qualify as an in-substance defeasance. This Statement establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt. However, in financial statements using the economic resources measurement focus, governments should recognize any difference between the reacquisition price (the amount required to be placed in the trust) and the net carrying amount of the debt defeased in substance using only existing resources as a separately identified gain or loss in the period of the defeasance. Governments that defease debt using only existing resources should provide a general description of the transaction in the notes to financial statements in the period of the defeasance. In all periods following an in-substance defeasance of debt using only existing resources, the amount of that debt that remains outstanding at period-end should be disclosed.

Prepaid Insurance Related to Extinguished Debt – For governments that extinguish debt, whether through a legal extinguishment or through an in-substance defeasance, this Statement requires that any remaining prepaid insurance related to the extinguished debt be included in the net carrying amount of that debt for the purpose of calculating the difference between the reacquisition price and the net carrying amount of the debt.

Additional Disclosure for All In-Substance Defeasance Transactions – One of the criteria for determining an in-substance defeasance is that the trust hold only monetary assets that are essentially risk-free. If the substitution of essentially risk-free monetary assets with monetary assets that are not essentially risk-free is not prohibited, governments should disclose that fact in the period in which the debt is defeased in substance. In subsequent periods, governments should disclose the amount of debt defeased in substance that remains outstanding for which that risk of substitution exists.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017 (FYE June 30, 2018). Earlier application is encouraged.

- **GASB Statement No. 87, Leases** - The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Definition of a Lease - A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

The provisions of this Statement are effective for reporting periods beginning after December 15, 2019 (FYE June 30, 2021).

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

C. 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.

D. 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.

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.

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.

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.

➤ SPECIAL REVENUE FUNDS

Title I (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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

➤ CAPITAL PROJECTS FUNDS

Bond Building (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.

➤ DEBT SERVICE FUNDS

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

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

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

E. 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

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, Capital Improvements SB – 9 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 assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Land, buildings and building improvements are recorded at historical cost or estimated historical cost if purchased or constructed. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

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.

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

ASSETS	YEARS
Buildings	40-50
Building improvements	20
Land Improvements	10-20
Vehides	5-7
Office equipment	5
Computer equipment	3-5

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

5. *Compensated absences*

It is the District's policy to permit employees to accumulate 36 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.

8. *Deferred Outflows/Inflows of Resources*

Both deferred inflows and outflows are reported in the Statement of Net Position, but are not recognized in the financial statements as revenues, expenses, and reduction of liabilities or increase in assets until the period(s) to which they relate.

In addition to assets, the District reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position/fund balance that applies to future periods and will not be recognized as an expenditure until that time.

The District also reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position/fund balance that applies to future periods and so will not be recognized as a revenue until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources.

The District reports deferred outflows of resources for pension-related amounts for the District's share of the difference between projected and actual earnings, for the District's share of the difference between contributions to the individual plans and the proportionate share of the contributions, and for changes of assumptions or other inputs.

The District reports deferred inflows of resources for pension-related amounts in the government wide financial statements or the District's share of the difference between expected and actual experience and for the District's share of the difference between contributions to the individual plans and the proportionate share of the contributions.

Under the modified accrual basis of accounting, revenue and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources. Deferred inflows of resources are also comprised of property tax and long-term receivables that are unavailable in the fund statements.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

9. *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 did not have committed fund balances for the year ended June 30, 2017.

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, 2017.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

10. *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.

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.

11. *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.

12. *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.

13. *Inter-fund Transactions*

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

14. 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 ensure 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 \$29,952,888 in state equalization guarantee distributions during the year ended June 30, 2017.

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 \$1,990,118 in transportation distributions during the year ended June 30, 2017.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the purchase of material listed on the PED 'Multiple List', while fifty percent of each allocation is available for purchases directly from vendors or transfer to the fifty percent account for purchase of material from the "Multiple List". Districts are allowed to carry forward unused textbook funds from year to year. The District received \$422,147 in instructional materials distributions during the year ended June 30, 2017.

15. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 requires the District to disclose information on certain tax abatement agreements effecting the District. Accordingly, the District did not have any tax abatements effecting the District during the year ended June 30, 2017.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont'd)

A. Budgetary Information (cont'd)

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, 2017 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:

	ORIGINAL	FINAL
Major Funds:		
General Funds	\$ 62,463,425	\$ 61,159,257
<i>Special Revenue Funds:</i>		
Title I	2,984,898	3,604,176
<i>Capital Projects Funds:</i>		
Bond Building	13,001,172	13,001,172
<i>Debt Service Funds:</i>		
Debt Service	12,001,624	12,001,624
Nonmajor Funds:		
Special Revenue Funds	16,523,591	20,915,941
Capital Projects Funds	2,809,647	2,809,647
Total Budget	\$ 109,784,357	\$ 113,491,817

B. Budgetary Violations

The District did not have budget violations during the year ended June 30, 2017.

C. Deficit Fund Equity

The District had one deficit fund balance of \$25,000 in the Capital Outlay - State Fund as of June 30, 2017. These deficits will be funded by future grants or by the Operational Fund.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2017, the carrying amount of the District's deposits was \$30,702,340 and the bank balance was \$34,089,470 with the difference consisting of outstanding checks.

	BALANCE
Financial institution:	
Wells Fargo	\$ 33,134,390
Bank of the Southwest	172,019
State agencies:	
New Mexico Finance Authority	778,688
New Mexico State Treasurer	4,373
Less net reconciling items	(3,387,130)
Total cash and equivalents	\$ 30,702,340
Less agency cash	(833,670)
	\$ 29,868,670

Of the total cash and cash equivalents balance, \$250,000 was covered by federal depository insurance and \$18,595,411 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 District does not have a deposit policy for custodial credit risk, other than the following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). 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, 2017, \$15,072,040 of the District's bank deposits was exposed to custodial risk as follows:

	INSURED	UNDER INSURED	TOTAL
Bank deposits:			
Uninsured and uncollateralized	\$ 15,072,040	\$ -	\$ 15,072,040
Uninsured and collateral held by pledging bank's trust dept not in the District's name	18,595,411	-	18,595,411
Total uninsured	33,667,451	-	33,667,451
Insured (FDIC)	422,019	-	422,019
Total deposits	\$ 34,089,470	\$ -	\$ 34,089,470
 State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ 16,833,726	\$ -	\$ 16,833,726
Pledged security	18,595,411	-	18,595,411
Over collateralization	\$ 1,761,685	\$ -	\$ 1,761,685

The collateral pledged is listed on Page 107 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, 2017

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

A. Cash and Temporary Investments (cont'd)

Investments

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a written policy for limiting interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or other counter

party to an investment will not fulfill its obligations. U.S. obligations, investments explicitly guaranteed by the U.S. Government, and non-debt investments are excluded from this requirement. The District's investments are in time deposits or investments guaranteed by the U.S. government and therefore are excluded from this requirement.

Custodial Credit Risk – Investments

As of June 30, 2017, the District's investments are in certificates of deposit of \$250,000 or less, or U.S. Government Securities or securities secured by the U.S. Federal Government. Therefore, the District is not subject to custodial credit risk.

The District investments held in certificated of deposits as follows:

Current assets:	
Investments	\$ 500,081
Non-current assets:	
Investments	<u>750,025</u>
	<u>\$1,250,106</u>

B. Receivables

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

	RECEIVABLES			DUE FROM OTHER	
	Property Taxes	Grants	Other	Governments	Funds
Major Funds:					
General Funds	\$ 7,708	\$ -	\$ 8,473	\$ 1,500	\$ 2,089,787
Title I	-	1,067,749	-	-	-
Bond Building	-	-	-	-	-
Debt Service	118,710	-	-	22,106	-
Other Governmental Funds	<u>34,696</u>	<u>1,153,495</u>	<u>-</u>	<u>6,471</u>	<u>-</u>
Total	<u>\$ 161,114</u>	<u>\$ 2,221,244</u>	<u>\$ 8,473</u>	<u>\$ 30,077</u>	<u>\$ 2,089,787</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:

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

B. Receivables (cont'd)

	UNAVAILABLE	UNEARNED
Grant drawdowns prior to meeting all eligibility requirements		
Other Governmental Funds	\$ -	\$ 239,926
Delinquent property taxes		
General Fund	6,996	-
Debt Service	107,962	-
Other Governmental Funds	<u>31,551</u>	<u>-</u>
Total deferred/uneared revenue for governmental funds	<u>\$ 146,509</u>	<u>\$ 239,926</u>

C. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2017 were:

	RECEIVABLES	PAYABLES
Major Funds:		
General Funds	\$ 2,089,787	\$ -
Title I	-	1,025,365
Other Governmental Funds	<u>-</u>	<u>1,064,422</u>
Total	<u>\$ 2,089,787</u>	<u>\$ 2,089,787</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.

D. Inter-Fund Transfers

The inter-fund transfers during the year ended June 30, 2017 were:

	TRANSFER IN	TRANSFER OUT
Major Funds:		
General Funds	\$ 724,297	\$ 1,428,000
Debt Service	714,000	-
Other Governmental Funds	<u>36,535</u>	<u>46,832</u>
Total	<u>\$ 1,474,832</u>	<u>\$ 1,474,832</u>

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

E. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	BEGINNING	INCREASES	DECREASES	REALLOCATION	ENDING
Governmental activities:					
<u>Capital assets not being depreciated:</u>					
Land	\$ 454,000	\$ -	\$ -		\$ 454,000
Construction in progress	27,043,119	10,570,582	(907,460)	(35,285,080)	1,421,162
Total capital assets not being depreciated	<u>27,497,119</u>	<u>10,570,582</u>	<u>(907,460)</u>	<u>(35,285,080)</u>	<u>1,875,162</u>
<u>Capital assets being depreciated:</u>					
Land improvements	5,274,681	1,669,529	(11,825)	635,836	7,568,221
Buildings and improvements	273,876,413	73,336	(17,934,335)	33,640,982	289,656,396
Furniture, fixtures, and equipment	14,822,989	148,837	(1,153,920)	1,008,261	14,826,167
Library books	3,315,114	-	-	-	3,315,114
Total capital assets being depreciated	<u>297,289,197</u>	<u>1,891,701</u>	<u>(19,100,080)</u>	<u>35,285,080</u>	<u>315,365,898</u>
Less accumulated depreciation for:					
Land improvements	(1,443,987)	(354,468)	3,823	(9,566)	(1,804,198)
Buildings and improvements	(112,653,608)	(6,342,414)	10,257,483	6,831	(108,731,708)
Furniture, fixtures, and equipment	(9,295,262)	(830,562)	970,216	(37,346)	(9,192,954)
Library books	(3,295,158)	(10,412)	-	-	(3,305,570)
Total accumulated depreciation	<u>(126,688,015)</u>	<u>(7,537,857)</u>	<u>11,231,522</u>	<u>(40,081)</u>	<u>(123,034,430)</u>
Total capital assets being depreciated, net	<u>170,601,182</u>	<u>(5,646,155)</u>	<u>(7,868,557)</u>	<u>35,244,999</u>	<u>192,331,468</u>
Total capital assets, net	<u>\$ 198,098,301</u>	<u>\$ 4,924,427</u>	<u>\$ (8,776,017)</u>	<u>\$ (40,081)</u>	<u>\$ 194,206,630</u>

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

DEPRECIATION ALLOCATION TO FUNCTIONS	
Instruction	\$ 4,128,494
Support Services - Students	598,548
Support Services - Instruction	266,713
Support Services - General Administration	182,533
Support Services - School Administration	355,629
Central Services	272,446
Operations & Maintenance of Plant	1,134,797
Student Transportation	214,728
Other Support Services	579
Food Services	332,078
Total Depreciation Expense	<u>\$ 7,537,857</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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

E. Capital Assets (cont'd)

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

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, 2017 are as follows:

BOND ISSUES		ORIGINAL AMOUNT	INTEREST RATES	BALANCE	CURRENT PORTION
Series	2008	\$ 5,500,000	2.60% to 5.00%	\$ 4,200,000	\$ 600,000
Series	2010	12,000,000	2.00% to 3.00%	8,800,000	700,000
Series	2012	14,810,000	2.00% to 3.00%	6,100,000	1,800,000
Series	2014	13,980,000	2.25% to 4.00%	11,120,000	650,000
Series	2015	12,000,000	1.00% to 3.00%	11,660,000	400,000
Total		<u>\$ 58,290,000</u>		<u>\$ 41,880,000</u>	<u>\$ 4,150,000</u>

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

YEAR ENDING	TOTAL		
JUNE 30,	PRINCIPAL	INTEREST	REQUIREMENTS
2018	\$ 4,150,000	\$ 1,192,825	\$ 5,342,825
2019	3,225,000	1,098,625	4,323,625
2020	3,350,000	997,800	4,347,800
2021	3,525,000	882,200	4,407,200
2022	3,710,000	771,675	4,481,675
2023 - 2027	16,200,000	2,440,063	18,640,063
2028 - 2032	7,720,000	333,700	8,053,700
Total	<u>\$ 41,880,000</u>	<u>\$ 7,716,888</u>	<u>\$ 49,596,888</u>

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

F. Long-Term Debt (cont'd)

Revenue Bonds

The District also issued bonds where the District pledged income derived from the acquired or constructed assets to pay debt service.

REVENUE BOND ISSUES	ORIGINAL AMOUNT	INTEREST RATES	BALANCE	CURRENT PORTION
Series 2006 Revenue Bond Techerage	\$ 8,269,675	3.04% to 3.98%	\$ 2,846,220	\$ 669,611

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

YEAR ENDING	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
JUNE 30,			
2018	\$ 669,611	\$ 98,705	\$ 768,316
2019	696,636	72,197	768,833
2020	725,048	44,329	769,377
2021	754,925	15,023	769,948
Total	<u>\$ 2,846,220</u>	<u>\$ 230,255</u>	<u>\$ 3,076,475</u>

Changes in long term debt – During the year ended June 30, 2017 the following changes occurred in liabilities reported in the general obligation bonds account group:

	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ENDING BALANCE	DUE WITHIN ONE YEAR
GO Bonds Payable					
<u>Original Amount</u>	<u>Issue</u>				
\$ 5,500,000	2008	\$ 4,500,000	\$ -	\$ 4,200,000	\$ 600,000
12,000,000	2010	9,100,000	-	8,800,000	700,000
14,810,000	2012	8,500,000	-	6,100,000	1,800,000
13,980,000	2014	11,720,000	-	11,120,000	650,000
12,000,000	2015	12,000,000	-	11,660,000	400,000
Total GO bonds payable		45,820,000	3,940,000	41,880,000	4,150,000
Revenue Bonds Payable					
8,269,675	2006	3,490,175	-	2,846,220	669,611
Compensated absences:					
Compensated vacation		444,352	503,106	523,811	523,811
Total		<u>\$ 49,754,527</u>	<u>\$ 503,106</u>	<u>\$ 45,250,031</u>	<u>\$ 5,343,422</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.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

F. Long-Term Debt (cont'd)

	BALANCE
Bonds payable	\$ 41,880,000
Revenue bond payable	2,846,220
Less: current maturities	(4,819,611)
Unamortized:	
Premiums on bonds	1,212,729
Total non-current liabilities	<u>\$ 41,119,338</u>

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, 2017.

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 150,082 active, retired, and inactive members in fiscal year 2016; there were 146,089 active, retired, and inactive members in fiscal year 2015.

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 or 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

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

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

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

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

The 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

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 2017.

Employer Contributions – In fiscal year 2017, 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, 2017 were \$5,543,306, 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 218 contributing employers in fiscal year 2016; there were 216 contributing employers in fiscal year 2015.

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

At June 30, 2017, the District reported a liability of \$103,414,190 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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, 2016, the District's proportion was 1.43702 percent, which was an increase of 0.05287 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$8,421,251.

PENSION EXPENSE CALCULATION	
Net pension liability - end of the year	\$ 103,414,190
Net pension liability - beginning of the year	(89,655,081)
Deferred outflows of resources during the year	(7,963,643)
Deferred inflows of resources during the year	(3,081,295)
Reductions to ending net pension liability due contributions paid	<u>5,707,080</u>
Total Pension Expense	<u>\$ 8,421,251</u>

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

	OUTFLOWS	INFLOWS
Difference between expected and actual experience	\$ 448,649	\$ 983,599
Change of assumptions	2,105,098	-
Net difference between projected and actual earnings on pension plan investments	6,172,966	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,867,712	1,759,307
District contributions subsequent to the measurement date	<u>5,543,306</u>	<u>-</u>
Total	<u>\$ 17,137,731</u>	<u>\$ 2,742,906</u>

Deferred outflows of resources related to pensions in the amount of \$5,543,306 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, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

JUNE 30,	AMORTIZATION
2018	\$ 838,723
2019	2,893,119
2020	3,614,338
2021	1,505,338
2022	-
Thereafter	<u>-</u>
Total	<u>\$ 8,851,518</u>

Actuarial Assumptions

A single discount rate of 7.75% was used to measure the total pension liability as of June 30, 2016. This single discount rate was based on 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

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, 2015. The total pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2015. The total pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016 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, 2016. Specifically, the liabilities measured as of June 30, 2016 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.

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 rates based on age and service. Adopted by NMERB on June 12, 2015 in conjunction with the six-year experience study for the period ending June 30, 2014
Mortality:	Healthy males: RP-2000 Combined Mortality Table with white collar adjustments, generational mortality improvements with scale BB. Healthy females: GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with scale BB from the table's base year of 2012.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

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 2016 and 2015 for 30-year return assumptions are summarized in the following table:

<u>Asset Class</u>	2016	2015
	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	-0.25%	0.00%
U.S. Treasuries	0.00%	0.25%
IG Corp Credit	1.75%	1.50%
Mortgage Backed Securities	0.25%	0.50%
Core Bonds*	0.64%	0.73%
Treasury Inflation Protected Securities	0.75%	0.75%
High-Yield Bonds	2.50%	2.50%
Bank Loans	2.75%	2.75%
Global Bonds (Unhedged)	-0.50%	-1.00%
Global Bonds (Hedged)	-0.38%	-0.84%
Emerging Market Debt External	2.75%	2.75%
Emerging Market Debt Local Currency	3.25%	3.50%
Large Cap Equities	4.25%	4.25%
Small/ Mid Cap Equities	4.50%	4.50%
International Equities (Unhedged)	4.75%	4.75%
International Equities (Hedged)	5.14%	5.22%
Emerging International Equities	6.25%	6.00%
Private Equity	6.25%	6.25%
Private Debt	4.75%	4.75%
Private Real Assets	4.50%	4.50%
Real Estate	3.25%	3.25%
Commodities	2.25%	2.50%
Hedge Funds	3.25%	3.50%

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

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 2016, 2015, and 2014. 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.

		CURRENT SINGLE RATE		
		1% Decrease	Assumption	1% Increase
		6.75%	7.75%	8.75%
ERB (All Employers)				
2016	\$	9,531,509,131	\$ 7,196,433,561	\$ 5,258,980,529
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
Central Consolidated Schools				
2016	\$	136,969,693	\$ 103,414,190	\$ 75,572,602
2015		120,636,902	89,655,081	63,627,127
2014		106,500,878	78,274,059	54,696,872

B. Post-Retirement Health Care Benefits

Plan Description

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

Eligible retirees are:

- 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which 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.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

IV. OTHER INFORMATION (cont'd)

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

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, 2013, 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, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2017 were \$798,088, which equal the required contributions for each year.

C. 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.

D. 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, 2017

IV. OTHER INFORMATION (cont'd)

E. Restatement

The District restatement consisted of voided outstanding checks in the amount of \$34,119, NMPSIA payable adjustment of \$77,292, interfund payable in the amount of \$2,170, and unreconciled difference of \$1,473 totaling \$115,054.

F. Subsequent Events

Subsequent events were evaluated through November 10, 2017 which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2017

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY Educational Retirement Board (ERB) Pension Plan Last 10 Fiscal Years*

	2017	2016	2015
District's proportion of the net pension liability	1.437020%	1.384150%	1.371850%
District's proportionate share of the net pension liability	\$ 103,414,190	\$ 89,655,081	\$ 78,274,059
District's covered-employee payroll	\$ 41,051,983	\$ 39,359,197	\$ 37,813,136
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	251.91%	227.79%	207.00%
Plan fiduciary net position as a percentage of the total pension liability	61.58%	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 THE DISTRICT'S CONTRIBUTIONS Educational Retirement Board (ERB) Pension Plan Last 10 Fiscal Years*

	2017	2016	2015
Contractually required contribution	\$ 5,531,206	\$ 5,706,225	\$ 5,470,928
Contributions in relation to the contractually required	<u>(5,543,306)</u>	<u>(5,707,080)</u>	<u>(5,473,195)</u>
Contribution deficiency (excess)	<u>\$ (12,100)</u>	<u>\$ (855)</u>	<u>\$ (2,267)</u>
District's Covered-employee Payroll	\$ 39,792,853	\$ 41,051,983	\$ 39,359,197
Contribution as a percentage of covered-employee payroll	13.93%	13.90%	13.91%

* 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, 2017

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 2016 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 VI (B) Actuarial Assumptions of the financial statement note disclosure on the Pension Plan.

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GENERAL FUNDS
YEAR ENDED JUNE 30, 2017

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
CENTRAL CONSOLIDATED SCHOOLS

GENERAL FUNDS
Combining Balance Sheet
June 30, 2017

	Operational Fund #11000	Teacherage Fund #12000	Transportation Fund #13000	Instructional Materials Fund #14000	Total General Funds
Assets					
Cash and cash equivalents	\$ 8,524,878	\$ 241,764	\$ 19,048	\$ 142,686	\$ 8,928,376
Receivables:					
Property taxes	7,708	-	-	-	7,708
Other receivables	8,473	-	-	-	8,473
Due from other governments	1,500	-	-	-	1,500
Due from other funds	2,089,787	-	-	-	2,089,787
Fuel inventory	<u>195,364</u>	<u>-</u>	<u>73,700</u>	<u>-</u>	<u>269,064</u>
Total assets	<u>\$ 10,827,710</u>	<u>\$ 241,764</u>	<u>\$ 92,748</u>	<u>\$ 142,686</u>	<u>\$ 11,304,908</u>
 Liabilities, deferred inflows and fund balance					
Liabilities:					
Accounts payable	\$ 723,954	\$ -	\$ 1,135	\$ -	\$ 725,089
Due to agency funds	2,170	-	-	-	2,170
Deposits held for others	<u>-</u>	<u>39,996</u>	<u>-</u>	<u>-</u>	<u>39,996</u>
Total liabilities	<u>726,124</u>	<u>39,996</u>	<u>1,135</u>	<u>-</u>	<u>767,255</u>
Deferred inflows of resources:					
Delinquent property taxes	<u>6,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,996</u>
Fund balance:					
Non-spendable:					
Inventories	195,364	-	73,700	-	269,064
Unassigned	<u>9,899,226</u>	<u>201,768</u>	<u>17,913</u>	<u>142,686</u>	<u>10,261,593</u>
Total fund balance	<u>10,094,590</u>	<u>201,768</u>	<u>91,613</u>	<u>142,686</u>	<u>10,530,657</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 10,827,710</u>	<u>\$ 241,764</u>	<u>\$ 92,748</u>	<u>\$ 142,686</u>	<u>\$ 11,304,908</u>

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

GENERAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2017

	General Funds				Total General Fund
	Operational Fund #11000	Teacherage Fund #12000	Transportation Fund #13000	Instructional Materials Fund #14000	
Revenues:					
Taxes:					
Property	\$ 403,848	\$ -	\$ -	\$ -	\$ 403,848
Oil and gas	1,227	-	-	-	1,227
Intergovernmental - federal grants	18,700,843	-	-	-	18,700,843
Intergovernmental - state grants	29,965,981	-	1,990,118	422,147	32,378,246
Contributions - private grants	123,987	-	-	-	123,987
Charges for services	1,460	533,753	-	-	535,213
Investment and interest income	37,544	-	-	-	37,544
Miscellaneous	<u>509,738</u>	<u>1,635</u>	<u>4,035</u>	<u>4,297</u>	<u>519,705</u>
Total revenue	<u>49,744,628</u>	<u>535,388</u>	<u>1,994,153</u>	<u>426,444</u>	<u>52,700,613</u>
Expenditures:					
Current:					
Instruction	31,774,427	-	-	871,556	32,645,983
Support services:					
Students	4,563,316	-	-	-	4,563,316
Instruction	1,141,867	-	-	-	1,141,867
General Administration	1,506,558	-	-	-	1,506,558
School Administration	3,641,327	-	-	-	3,641,327
Central Services	2,473,174	-	-	-	2,473,174
Operation & Maintenance of Plant	9,359,869	372,210	-	-	9,732,079
Student transportation	67,672	-	1,945,762	-	2,013,434
Other Support services	6,020	-	-	-	6,020
Community services	90,088	-	-	-	90,088
Capital outlay	<u>451,104</u>	<u>39,182</u>	<u>-</u>	<u>-</u>	<u>490,286</u>
Total expenditures	<u>55,075,422</u>	<u>411,392</u>	<u>1,945,762</u>	<u>871,556</u>	<u>58,304,132</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,330,794)</u>	<u>123,996</u>	<u>48,391</u>	<u>(445,112)</u>	<u>(5,603,519)</u>
Other financing sources and uses:					
Refunds	-	-	-	(56,890)	(56,890)
Transfers In	10,297	714,000	-	-	724,297
Transfers out	<u>(714,000)</u>	<u>(714,000)</u>	<u>-</u>	<u>-</u>	<u>(1,428,000)</u>
Total other financing sources and uses	<u>(703,703)</u>	<u>-</u>	<u>-</u>	<u>(56,890)</u>	<u>(760,593)</u>
<i>Net change in fund balance</i>	<u>(6,034,497)</u>	<u>123,996</u>	<u>48,391</u>	<u>(502,002)</u>	<u>(6,364,112)</u>
Fund balance as previously reported	16,244,141	77,772	43,222	644,688	17,009,823
Restatement	<u>(115,054)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(115,054)</u>
Fund balance as restated	<u>16,129,087</u>	<u>77,772</u>	<u>43,222</u>	<u>644,688</u>	<u>16,894,769</u>
Fund balance at end of the year	<u>\$ 10,094,590</u>	<u>\$ 201,768</u>	<u>\$ 91,613</u>	<u>\$ 142,686</u>	<u>\$ 10,530,657</u>

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

OPERATIONAL FUND - NO. 11000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 364,856	\$ 364,856	\$ 403,178	\$ 38,322
Oil and gas	3,613	3,613	1,177	(2,436)
Intergovernmental - federal grants	18,159,229	18,159,229	18,700,843	541,614
Intergovernmental - state grants	28,345,589	27,424,412	29,965,981	2,541,569
Contributions - private grants	6,000	6,000	123,987	117,987
Charges for services	21,500	21,500	1,460	(20,040)
Investment and interest income	50,000	50,000	37,544	(12,456)
Miscellaneous	<u>500,000</u>	<u>500,000</u>	<u>509,738</u>	<u>9,738</u>
Total revenues	<u>47,450,787</u>	<u>46,529,610</u>	<u>49,743,908</u>	<u>3,214,298</u>
Expenditures:				
Current:				
Instruction	35,329,330	32,142,548	31,765,687	376,861
Support services:				
Students	4,626,223	4,545,765	4,568,448	(22,683)
Instruction	1,378,233	1,232,632	1,142,093	90,539
General Administration	1,875,073	1,865,073	1,505,258	359,815
School Administration	4,288,983	3,941,483	3,645,052	296,431
Central Services	1,934,306	2,542,806	2,472,756	70,050
Operation & Maintenance of Plant	7,943,304	9,586,946	9,248,566	338,380
Student transportation	185,979	185,979	67,805	118,174
Other Support services	232,828	127,328	6,020	121,308
Community services	83,369	95,369	90,088	5,281
Capital outlay	<u>1,330,843</u>	<u>1,342,166</u>	<u>451,104</u>	<u>891,062</u>
Total expenditures	<u>59,208,471</u>	<u>57,608,095</u>	<u>54,962,877</u>	<u>2,645,218</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(11,757,684)	(11,078,485)	(5,218,969)	5,859,516
Other financing uses:				
Transfers out	-	-	(714,000)	(714,000)
<i>Net change in fund balance</i>	<u>(11,757,684)</u>	<u>(11,078,485)</u>	<u>(5,932,969)</u>	<u>5,145,516</u>
<i>Beginning cash balance budgeted</i>	<u>11,757,684</u>	<u>11,078,485</u>	<u>-</u>	<u>(11,078,485)</u>
Fund balance as previously reported	-	-	16,244,141	16,244,141
Restatement	-	-	(115,054)	(115,054)
Fund balance as restated	-	-	<u>16,129,087</u>	<u>16,129,087</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	10,196,118	<u>\$ 10,196,118</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(3,055)	
Change in property tax receivable			339	
Change in due from other governments			638	
Change in payables			(108,437)	
Change in accrued liabilities			9,244	
Change in deferred property taxes			<u>(257)</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 10,094,590</u>	

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

TEACHERAGE FUND - NO. 12000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Charges for services	\$ 565,403	\$ 565,403	\$ 499,637	\$ (65,766)
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,635</u>	<u>1,635</u>
Total revenues	<u>565,403</u>	<u>565,403</u>	<u>501,272</u>	<u>(64,131)</u>
Expenditures:				
Current:				
Support services:				
Operation & Maintenance of Plant	625,403	585,403	372,486	212,917
Capital outlay	<u>-</u>	<u>40,000</u>	<u>39,182</u>	<u>818</u>
Total expenditures	<u>625,403</u>	<u>625,403</u>	<u>411,668</u>	<u>213,735</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(60,000)</u>	<u>(60,000)</u>	<u>89,604</u>	<u>149,604</u>
Other financing sources and uses:				
Transfers In	-	-	714,000	714,000
Transfers out	<u>-</u>	<u>-</u>	<u>(714,000)</u>	<u>(714,000)</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	(60,000)	(60,000)	89,604	149,604
<i>Beginning cash balance budgeted</i>	60,000	60,000	-	(60,000)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>77,772</u>	<u>77,772</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>167,376</u>	<u>\$ 167,376</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			34,116	
Change in accrued liabilities			<u>276</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 201,768</u>	

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

TRANSPORTATION FUND - NO. 13000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Intergovernmental - state grants	\$ 2,297,834	\$ 1,990,118	\$ 1,990,118	\$ -
Miscellaneous	<u>-</u>	<u>-</u>	<u>4,035</u>	<u>4,035</u>
Total revenues	2,297,834	1,990,118	1,994,153	4,035
Expenditures:				
Current:				
Support services:				
Student transportation	<u>2,297,834</u>	<u>2,005,137</u>	<u>2,005,137</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	(15,019)	(10,984)	4,035
<i>Beginning cash balance budgeted</i>	-	15,019	-	(15,019)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>43,222</u>	<u>43,222</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	32,238	<u><u>\$ 32,238</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			57,502	
Change in payables			(983)	
Change in accrued liabilities			<u>2,856</u>	
Fund balance at end of the year (GAAP basis)			<u><u>\$ 91,613</u></u>	

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

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, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Intergovernmental - state grants	\$ 331,717	\$ 331,717	\$ 422,147	\$ 90,430
Miscellaneous	-	-	4,297	4,297
Total revenues	331,717	331,717	426,444	94,727
Expenditures:				
Current:				
Instruction	331,717	920,622	871,556	49,066
<i>Excess (deficiency) of revenues over expenditures</i>	-	(588,905)	(445,112)	143,793
Other financing uses:				
Refunds	-	-	(56,890)	(56,890)
<i>Net change in fund balance</i>	-	(588,905)	(502,002)	86,903
<i>Beginning cash balance budgeted</i>	-	588,905	-	(588,905)
Fund balance at beginning of the year	-	-	644,688	644,688
Fund balance at end of the year	\$ -	\$ -	142,686	\$ 142,686
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 142,686	

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NONMAJOR GOVERNMENTAL FUNDS

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NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

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) Minimum Balance: None
This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

Activities (Fund No. 23000) Minimum Balance: None
This fund provides revenue and expenditures of student activities other than athletics.

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.

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.

IDEA-B CEIS (Fund No. 24112) Minimum Balance: None
Up to 15% of combined entitlement and preschool funding may be budgeted as per 34 CFR § 300.226. Must be used consistent with the applicable provisions of IDEA-B, as follows: (1) Must be used only to pay the excess costs of providing special education and related services to children with disabilities; (2) Must be used to supplement State, local, and other Federal funds and not to supplant such funds; and (3) Must not be used to reduce an LEA's maintenance of effort (MOE) for the education of children with disabilities below the preceding year's level except as allowed by 34 CFR §§ 300.204 and 205.

21ST Century Community Learning Centers (Fund No. 24119) Minimum Balance: None
After school adolescence care, providing the community with responsible Child Care, while providing the children and their families with referral services, drug prevention education, academic help, and character building (social skill) activities. Funding is provided by the Department of Education under the Elementary and Secondary Education Act of 1965, Title X, part I Section 10901, Public Law 103-382 Stat. 3844, 20 U.S.C. 8241.

IDEA-B Student Success (Fund No. 24132) Minimum Balance: None
The purpose of this grant award is to support activities included in the school's Educational Plan for Student Success, or areas in need of improvement, identified through the instructional audit. The program is funded by the United States government, under the Individuals with Disabilities Act, Public Law 108-446 Part B.

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.

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

Nonmajor Special Revenue Funds (cont'd)

Safe and Drug Free Schools (Fund No. 24157)	Minimum Balance: None
To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Authorized by Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7118.	
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.	
Reading First (Fund No. 24167)	Minimum Balance: None
To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Authorization is granted by Elementary and Secondary Education Act of 1965 (ESEA), as amended, Public Law 107-110.	
Carl D Perkins Secondary - Current (Fund No. 24174)	Minimum Balance: None
The Carl D. Perkins program provides financial assistance to the support the alignment of career-technical education with state initiatives relating to the redesign of secondary schools and enhanced collaboration with post-secondary education. The program is funded by the United States government, under the Carl D. Perkins Vocational-Technical Education Act Amendments, Title I; 20 U.S.C. 2321 et seq., Public Law 105-332.	
Carl D Perkins Secondary - Py Unliq. (Fund No. 24175)	Minimum Balance: None
The un-liquidated obligations component of the Carl D. Perkins program represents encumbered items from a prior year, yet to be liquidated. The obligations must meet the requirements, as defined in the Education Department General Administrative Regulation. The program is funded by the United States government, under the Carl D. Perkins Vocational-Technical Education Act Amendments, Title I; 20 U.S.C. 2321 et seq., Public Law 105-332.	
Carl D Perkins Secondary Redistribution (Fund No. 24176)	Minimum Balance: None
The redistribution component of the Carl D. Perkins program represents an allocation of remaining balances from the Carl D. Perkins Career and Technical Education Act (Perkins IV-Year 4). The program is funded by the United States government, under the Carl D. Perkins Vocational-Technical Education Act Amendments, Title I; 20 U.S.C. 2321 et seq., Public Law 105-332.	
Carl D Perkins HSTW - Current (Fund No. 24180)	Minimum Balance: None
To account for funds administered through the State Public Education Office to the deployment of the HSTW framework is intended to improve student achievement, increase graduation rates and provide relevant and rigorous high school instruction. The program is funded by the United States government, under the Carl D. Perkins Vocational-Technical Education Act Amendments, Title I; 20 U.S.C. 2321 et seq., Public Law 105-332.	
Carl D Perkins HSTW - Redistribution (Fund No. 24182)	Minimum Balance: None
To account for funds administered through the State Public Education Office to the deployment of the HSTW framework is intended to improve student achievement, increase graduation rates and provide relevant and rigorous high school instruction. The program is funded by the United States government, under the Carl D. Perkins Vocational-Technical Education Act Amendments, Title I; 20 U.S.C. 2321 et seq., Public Law 105-332.	
USDA Equipment Assist (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).	

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

Nonmajor Special Revenue Funds

US HHS/CDC School Health (Fund No. 24186) Minimum Balance: None

The National Public Health Improvement Initiative is part of the Centers for Disease Control and Prevention's larger effort to increase the performance management capacity of public health departments in order to ensure that public health goals are effectively and efficiently met. On March 30, 2010, President Obama signed into law the Affordable Care Act (ACA) (PL 111-148). This legislation established a Prevention and Public Health Fund (Title IV, Section 4002) to provide for expanded and sustained national investment in prevention and public sector health care costs. ACA and the Prevention and Public Health Fund make improving public health a priority with investments to improve public health services, establish meaningful and measurable health indicators, and to achieve long-term improvement in health outcomes. The 5-year Strengthening Public Health Infrastructure for Improved Health Outcomes cooperative agreement program is designed to support innovative changes in key areas that improve the quality, effectiveness and efficiency of the public health infrastructure to better enable the delivery of public health services and programs as specified within ACA. In this continuation announcement, the CDC proposes to award approximately \$33.7 million to fund 74 grantees using a formula. Eligible applicants are limited to current Awardees. Authorization (040): Public Health Act and Prevention and Public Health Fund (PPHF), Section 301 and 317, 42 U.S.C 241 and 247b; Patient Protection and Affordable Care Act and Prevention and Public Health Fund (PPHF), Title IV, Section 4002, Public Law 111-148.

ARRA - Title I (Fund No. 24201) Minimum Balance: None

Also known as the School Improvement Grant (SIG), the program funds schools that are identified for improvement, corrective action, or restructuring. The district must demonstrate the greatest need for the funds and the strongest commitment to utilize the funds to provide adequate resources in order to raise substantially the achievement of their students so as to enable the schools to make adequate yearly programs (AYP) and exit In Needs Of Improvement status. The program is funded by the United States government under Elementary and Secondary Education Act (ESEA), as amended, Executive Order Section 1003(g), 115 Stat. 1442, 20 U.S.C 6303(g).

ARRA Title I 1003G (Fund No. 24224) Minimum Balance: None

Also known as the School Improvement Grant (SIG), the program funds schools that are identified for improvement, corrective action, or restructuring. The district must demonstrate the greatest need for the funds and the strongest commitment to utilize the funds to provide adequate resources in order to raise substantially the achievement of their students so as to enable the schools to make adequate yearly programs (AYP) and exit In Needs Of Improvement status. The program is funded by the United States government under Elementary and Secondary Education Act (ESEA), as amended, Executive Order Section 1003(g), 115 Stat. 1442, 20 U.S.C 6303(g).

Public Health Services Health Ed (Fund No. 25122) Minimum Balance: None

The Public Health Services Health Ed program assists with improving the quality of the health of American Indians and Alaskan Natives by providing a full range of curative, preventative, and rehabilitative health services. The program is funded by the United States government, under Public Law 83-568, 42 U.S.C 2001-2004a; Indian Self-Determination and Education Assistance Act, Section 104(b), Public Law 93-638, 25 U.S.C. 450; section 9, Public Law 98-250; Public Law 100-472.

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.

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.

GRADS Child Care (Fund No. 25149) Minimum Balance: None

To assist States to develop and implement, or expand and enhance, a comprehensive, statewide system of community-based family resource and support services. Authorized by the Child Abuse Prevention and Treatment Act, 42 U.S.C. et. Seq., as amended, Public Law 104-235.

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

Nonmajor Special Revenue Funds (cont'd)

Promotion of the Arts (Fund No. 25151)	Minimum Balance: None
To support the creation of art that meets the highest standards of excellence, public engagement with diverse and excellent art, lifelong learning in the arts, the strengthening of communities through the arts, and increased public knowledge and understanding about the contributions of the arts. The program is funded by the United States government under National Foundation on the Arts and the Humanities Act of 1965, as amended, Public Law 089-209, 20 U.S.C 951 et seq.	
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.	
Navajo Nations (Fund No. 25201)	Minimum Balance: None"
The Navajo Nations program assists the school district in providing appropriate special education and related services for Navajo children with disabilities aged three to five. United States government, under the Individuals with Disabilities Education Improvement Act of 2004, 20 U.S.C. 1400; P.L. 108-446.	
Gear Up New Mexico State Initiatives (Fund No. 25205)	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.	
Heifer International (Fund No. 26119)	Minimum Balance: None
Privately funded grant for the general purpose of providing Navajo students with opportunities to learn vocational skills and increase their self-esteem. Goals are to educate and provide new skills to ninety Native American FFA students and enable them to raise sheep resistant to scabies and to continue their tribal culture. Funding is authorized by Genetic Improvement for Scabies Resistant Sheep.	
Parents Reaching Out (Fund No. 26174)	Minimum Balance: None
Funding from the Parents Reaching Out organization. Parents Reaching Out is a non-profit organization supporting the District's efforts to serve families with young children receiving Early Intervention services as they move to Early Childhood programs or preschool.	
Conoco Phillips Grant (Fund No. 26200)	Minimum Balance: None
The ConocoPhillips grant provides funds to support specific projects proposed by teachers at Naabi Ani Elementary School. The project is funded by a grant from ConocoPhillips. The creation of the fund is authorized by NMSA 1978 22-89-14.	
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.	
GO Bond Library (Fund No. 27105)	Minimum Balance: None
To be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Funds generated by GO Bonds may not be used to supplant existing or prior library material funding within school districts receiving these monies. This funding will supplement and be in addition to current and existing funding.	
Literacy for Children at Risk (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 2012, 2nd Session, Chapter 54, Section 10.B.(3).	

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

Nonmajor Special Revenue Funds (cont'd)

PARCC Readiness (Fund No. 27108)	Minimum Balance: None
Reimbursement from the New Mexico Public Education Department for infrastructure upgrades related to PARCC Readiness based on the completion of network mapping and performance assessments.	
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.	
Incentives For School Improvement (Fund No. 27138)	Minimum Balance: None
These funds are used for school improvements, from lighting to encyclopedias. Funding is provided by the State of New Mexico. The creation of the fund is authorized by NMSA 1978 22-13A-5.	
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.	
Breakfast For Elementary Students (Fund No. 27155)	Minimum Balance: None
The Breakfast for Elementary School program provides foods (at no charge) after the instructional day has begun, provided that instruction occurs simultaneously with breakfast. Authorized through 22-13-13.2 NMSA 1978; NMAC 6.12.9	
Kindergarten 3-Plus (Fund No. 27166)	Minimum Balance: None
To account for funds received to provide the opportunity for the district to address early literacy. The fullday kindergarten program is the first step in the implementation of a sequential early literacy approach to teaching reading.	
GO Bond 2010 Pre-K Classroom (Fund No. 27174)	Minimum Balance: None
Funding provided by the 2010 General Obligation Bonds to provide pre-kindergarten classroom materials.	
Science Instructional Materials (Fund No. 27176)	Minimum Balance: None
For the purchase of science instructional material supplies (kits, kit refills, or supplies needed for inquiry or project-based science instruction). Supplies purchased with this award are to be utilized during regular instructional hours for grades 6-8 and are not intended for after school programs.	
2013 School Bus (Fund No. 27178)	Minimum Balance: None
To provide for the purchase of school buses.	
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.	
NM Grown (Fund No. 27183)	Minimum Balance: None
Funds under this award are to be used to purchase locally grown New Mexico fresh fruits and vegetables, to be made available at no charge to students. Funds have been received as appropriation through the General Appropriations Act to distribute to school districts and charter schools.	
College Counselor Initiative (Fund No. 27189)	Minimum Balance: None
Funding to be used by KCHS and SHS to hire a college advisor solely dedicated to college advisement. College advisors will be hired under STARS assignment code #83 as a Resource Coordinator. The hired Advisor(s) must have an appropriate license in accordance with STARS assignment code #83.	

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

Nonmajor Special Revenue Funds (cont'd)

Academic Language Development (Fund No. 27401)	Minimum Balance: None
Funding must be used to support the participation of CCSD Schools' Bilingual Multicultural Education Program team(s) in ALL4ALL professional learning. Award may be used for reimbursement of the cost of teacher substitutes for on-site or off-site training and/or mileage and per diem (at state rates) for the schools' teams to attend ALD4ALL trainings. Authorization: Directed by PED's Bilingual Multicultural Education Bureau (BMED) and supported by the W.K. Kellogg Foundation.	
Natural Healers (Fund No. 28106)	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.	
NM Highway Dept (Road) (Fund No. 28120)	Minimum Balance: None
Parking lot/access road improvement of various roads within school district property which is a joint and coordinated effort for which the New Mexico Department of Transportation and the Central Consolidated School District each have authority or jurisdiction. The project is a joint and coordinated effort for which the Department and the Public Entity each have authority or jurisdiction. Pursuant to NMSA 1978, Section 67-3-28 and 67-3-28.2 and the State Transportation Commission Policy No. 44-12.	
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.	
Grads-Child Care (FundNo. 28189)	Minimum Balance: None
The Graduation, Reality, and Dual-role Skills (GRADS) program provides funding to participating schools in providing services for teen parents who are students at the participating schools.	
Grads-Instruction (Fund No. 28190)	Minimum Balance: None
The Graduation, Reality, and Dual-role Skills (GRADS) program provides funding to participating schools in providing services for teen parents who are students at the participating schools.	
Grads Plus (Fund No. 28203)	Minimum Balance: None
To develop a curriculum that identifies that reflect serious needs for pregnant or parenting teens.	
Life Link (Fund No. 29102)	Minimum Balance: None
To assist in the assessment of behavior health needs.	
Mccune Charitable Foundation (Fund No. 29114)	Minimum Balance: None
To support programs for elementary school children to explore science and math.	
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.	

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 - State (Fund No. 31400)	Minimum Balance: None
This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.	
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 GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

Nonmajor Capital Projects Funds (cont'd)

State SB-9 Match (Fund No. 31700)

Minimum Balance: None

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

Capital Improvements SB – 9 (Fund No. 31701)

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.

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

Special Revenue Funds

	<u>Food Service Fund #21000</u>	<u>Athletics Fund #22000</u>	<u>Activities Fund #23000</u>	<u>Entitlement IDEA-B Fund #24106</u>	<u>Preschool IDEA-B Fund #24109</u>
Assets					
Cash and cash equivalents	\$ 2,353,897	\$ 163,869	\$ 426,059	\$ -	\$ -
Receivables:					
Property taxes	-	-	-	-	-
Grant	95,630	-	-	321,840	11,191
Due from other governments	-	-	-	-	-
Food inventory	<u>70,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,520,200</u>	<u>\$ 163,869</u>	<u>\$ 426,059</u>	<u>\$ 321,840</u>	<u>\$ 11,191</u>
Liabilities, deferred inflows and fund balance					
Liabilities:					
Accounts payable	\$ 2,685	\$ -	\$ 10,939	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>321,840</u>	<u>11,191</u>
Total liabilities	<u>2,685</u>	<u>-</u>	<u>10,939</u>	<u>321,840</u>	<u>11,191</u>
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:					
Non-spendable:					
Inventories	70,673	-	-	-	-
Restricted for:					
Special revenue funds	2,446,842	163,869	415,120	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>2,517,515</u>	<u>163,869</u>	<u>415,120</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,520,200</u>	<u>\$ 163,869</u>	<u>\$ 426,059</u>	<u>\$ 321,840</u>	<u>\$ 11,191</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	IDEA-B CEIS Fund #24112	21st Century Community Learning Centers Fund #24119	IDEA-B Student Success Fund #24132	Title III English Language Fund #24153
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	206,676	79,646	-	32,244
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
Total assets	<u>\$ 206,676</u>	<u>\$ 79,646</u>	<u>\$ -</u>	<u>\$ 32,244</u>
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ 44	\$ -	\$ -
Due to other funds	<u>206,676</u>	<u>79,602</u>	-	<u>32,244</u>
Total liabilities	<u>206,676</u>	<u>79,646</u>	-	<u>32,244</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 206,676</u>	<u>\$ 79,646</u>	<u>\$ -</u>	<u>\$ 32,244</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

Special Revenue Funds

	<u>Title II Teacher Quality Fund #24154</u>	<u>Safe and Drug Free Schools Fund #24157</u>	<u>Title I School Improvement Fund #24162</u>	<u>Reading First Fund #24167</u>	<u>Carl D Perkins Secondary - Current Fund #24174</u>
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ 3,582	\$ -	\$ -
Receivables:					
Property taxes	-	-	-	-	-
Grant	43,138	-	-	-	-
Due from other governments	-	-	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 43,138</u>	<u>\$ -</u>	<u>\$ 3,582</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities, deferred inflows and fund balance					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>43,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>43,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	3,582	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>3,582</u>	<u>-</u>	<u>-</u>
Fund balance:					
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Special revenue funds	-	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 43,138</u>	<u>\$ -</u>	<u>\$ 3,582</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	Carl D Perkins Secondary - PY Unliq. Oblig <u>Fund #24175</u>	Carl D Perkins Secondary Redistribution <u>Fund #24176</u>	Carl D Perkins HSTW - Current <u>Fund #24180</u>	Carl D Perkins HSTW - Redistribution <u>Fund #24182</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	-	-
Due from other governments	-	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	USDA Equipment Assist <u>Fund #24183</u>	US HHS/CDC School Health <u>Fund #24186</u>	ARRA - Title I <u>Fund #24201</u>	ARRA - Title I 1003g <u>Fund #24224</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	-	509	-	-
Due from other governments	-	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 509</u>	<u>\$ -</u>	<u>\$ -</u>
 Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>509</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>509</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ 509</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	Public Health Services Health Ed <u>Fund #25122</u>	Johnson O'Malley <u>Fund #25131</u>	Impact Aid Special Education <u>Fund #25145</u>	Impact Aid Indian Education <u>Fund #25147</u>
Assets				
Cash and cash equivalents	\$ 66,736	\$ -	\$ 344,986	\$ 3,183,075
Receivables:				
Property taxes	-	-	-	-
Grant	-	112,857	-	-
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
Total assets	<u>\$ 66,736</u>	<u>\$ 112,857</u>	<u>\$ 344,986</u>	<u>\$ 3,183,075</u>
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 152	\$ 8,405
Due to other funds	-	112,857	-	-
Total liabilities	<u>-</u>	<u>112,857</u>	<u>152</u>	<u>8,405</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	66,736	-	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	<u>66,736</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	344,834	3,174,670
Capital projects funds	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>344,834</u>	<u>3,174,670</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 66,736</u>	<u>\$ 112,857</u>	<u>\$ 344,986</u>	<u>\$ 3,183,075</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	GRADS Child Care Fund #25149	Promotion of the Arts Fund #25151	Title XIX Medicaid Fund #25153	Indian Ed Formula Grant Fund #25184
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 316,489	\$ 123,905
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	-	-
Due from other governments	-	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,489</u>	<u>\$ 123,905</u>
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	316,489	123,905
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>316,489</u>	<u>123,905</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,489</u>	<u>\$ 123,905</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	Navajo Nations Fund #25201	Gear Up New Mexico State Initiatives Fund #25205	Heifer International Fund #26119	Parents Reaching Out Fund #26174
Assets				
Cash and cash equivalents	\$ 169,608	\$ -	\$ -	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	-	101,905	-	-
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
Total assets	\$ 169,608	\$ 101,905	\$ -	\$ -
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	101,905	-	-
Total liabilities	-	101,905	-	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	169,608	-	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	169,608	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 169,608	\$ 101,905	\$ -	\$ -

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	Conoco Phillips Grant Fund #26200	Dual Credit Instructional Materials Fund #27103	GO Bond Library Fund #27105	Literacy For Children at Risk Fund #27107
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 6,604
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	-	-
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ 6,604
 Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	6,604
Total liabilities	-	-	-	6,604
 Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
 Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balance	-	-	-	-
 Total liabilities, deferred inflows of resources, and fund balance	 \$ -	 \$ -	 \$ -	 \$ 6,604

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	PARCC Readiness <u>Fund #27108</u>	Reads to Leads <u>Fund #27114</u>	Incentives for School Improvement <u>Fund #27138</u>	Truancy Initiative <u>Fund #27141</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	-	1	-	-
Due from other governments	-	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	Pre-K Initiative Fund #27149	Indian Education Act Fund #27150	Breakfast for Elementary Students Fund #27155	Kindergarten 3- Plus Fund #27166
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 35,325
Receivables:				
Property taxes	-	-	-	-
Grant	65,242	25,296	-	-
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
Total assets	\$ 65,242	\$ 25,296	\$ -	\$ 35,325
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ 3	\$ -	\$ -	\$ -
Due to other funds	65,239	25,296	-	-
Total liabilities	65,242	25,296	-	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	35,325
Capital projects funds	-	-	-	-
Total fund balance	-	-	-	35,325
Total liabilities, deferred inflows of resources, and fund balance	\$ 65,242	\$ 25,296	\$ -	\$ 35,325

(cont'd; 11 of 17)

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	GO Bond 2010 Pre-K Classroom Fund #27174	Science Instructional Materials Fund #27176	2013 School Bus Fund #27178	STEM Teacher Initiative Fund #27181
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	4,860	-
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
Total assets	\$ -	\$ -	\$ 4,860	\$ -
 Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	4,860	-
Total liabilities	-	-	4,860	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	\$ -	\$ -	\$ 4,860	\$ -

(cont'd; 12 of 17)

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	NM Grown Fund #27183	College Counselor Initiative Fund #27189	Academic Language Development Fund #27401	Natural Healers Fund #28106
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	-	-
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ -
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	-	-	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	\$ -	\$ -	\$ -	\$ -

(cont'd; 13 of 17)

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	NM Highway Dept (Road) <u>Fund #28120</u>	Gear Up <u>Fund #28178</u>	Grads-Child Care <u>Fund #28189</u>	Grads-Instruction <u>Fund #28190</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	29,445	-	5,172	17,843
Due from other governments	-	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 29,445</u>	<u>\$ -</u>	<u>\$ 5,172</u>	<u>\$ 17,843</u>
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>29,445</u>	<u>-</u>	<u>5,172</u>	<u>17,843</u>
Total liabilities	<u>29,445</u>	<u>-</u>	<u>5,172</u>	<u>17,843</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 29,445</u>	<u>\$ -</u>	<u>\$ 5,172</u>	<u>\$ 17,843</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds			
	<u>Grads Plus Fund #28203</u>	<u>Life Link Fund #29102</u>	<u>McCune Charitable Foundation Fund #29114</u>	<u>School Based Health Center Fund #29130</u>
Assets				
Cash and cash equivalents	\$ 519	\$ 19,249	\$ -	\$ 13,032
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	-	-
Due from other governments	-	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 519</u>	<u>\$ 19,249</u>	<u>\$ -</u>	<u>\$ 13,032</u>
 Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,930
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,930</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	519	19,249	-	10,102
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>519</u>	<u>19,249</u>	<u>-</u>	<u>10,102</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 519</u>	<u>\$ 19,249</u>	<u>\$ -</u>	<u>\$ 13,032</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Capital Projects Funds			
	Total Non-Major Special Revenue Funds	Special Capital Outlay - State Fund #31400	Special Capital Outlay - Federal Fund #31500	State SB-9 Match Fund #31700
Assets				
Cash and cash equivalents	\$ 7,226,935	\$ (25,000)	\$ 868,036	\$ 139,597
Receivables:				
Property taxes	-	-	-	-
Grant	1,153,495	-	-	-
Due from other governments	-	-	-	-
Food inventory	<u>70,673</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 8,451,103</u>	<u>\$ (25,000)</u>	<u>\$ 868,036</u>	<u>\$ 139,597</u>
 Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ 25,158	\$ -	\$ -	\$ -
Due to other funds	<u>1,064,422</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,089,580</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	239,926	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>239,926</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	70,673	-	-	-
Restricted for:				
Special revenue funds	7,050,924	-	-	-
Capital projects funds	<u>-</u>	<u>(25,000)</u>	<u>868,036</u>	<u>139,597</u>
Total fund balance	<u>7,121,597</u>	<u>(25,000)</u>	<u>868,036</u>	<u>139,597</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 8,451,103</u>	<u>\$ (25,000)</u>	<u>\$ 868,036</u>	<u>\$ 139,597</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2017

	Capital Projects Funds		
	Capital Improvements SB-9 <u>Fund #31701</u>	Total Non-Major Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
Assets			
Cash and cash equivalents	\$ 1,232,107	\$ 2,214,740	\$ 9,441,675
Receivables:			
Property taxes	34,696	34,696	34,696
Grant	-	-	1,153,495
Due from other governments	6,471	6,471	6,471
Food inventory	<u>-</u>	<u>-</u>	<u>70,673</u>
Total assets	<u>\$ 1,273,274</u>	<u>\$ 2,255,907</u>	<u>\$ 10,707,010</u>
Liabilities, deferred inflows and fund balance			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 25,158
Due to other funds	<u>-</u>	<u>-</u>	<u>1,064,422</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>1,089,580</u>
Deferred inflows of resources:			
Advances of federal, state, and local grants	-	-	239,926
Delinquent property taxes	<u>31,551</u>	<u>31,551</u>	<u>31,551</u>
Total deferred inflows of resources	<u>31,551</u>	<u>31,551</u>	<u>271,477</u>
Fund balance:			
Non-spendable:			
Inventories	-	-	70,673
Restricted for:			
Special revenue funds	-	-	7,050,924
Capital projects funds	<u>1,241,723</u>	<u>2,224,356</u>	<u>2,224,356</u>
Total fund balance	<u>1,241,723</u>	<u>2,224,356</u>	<u>9,345,953</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,273,274</u>	<u>\$ 2,255,907</u>	<u>\$ 10,707,010</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2017**

Special Revenue Funds

	<u>Food Service Fund #21000</u>	<u>Athletics Fund #22000</u>	<u>Activities Fund #23000</u>	<u>Entitlement IDEA-B Fund #24106</u>	<u>Preschool IDEA-B Fund #24109</u>
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	3,904,801	-	-	1,398,733	34,074
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	66,795	271,867	646,991	-	-
Miscellaneous	<u>251</u>	<u>492</u>	<u>2,236</u>	<u>-</u>	<u>-</u>
Total revenues	<u>3,971,847</u>	<u>272,359</u>	<u>649,227</u>	<u>1,398,733</u>	<u>34,074</u>
Expenditures:					
Current:					
Instruction	-	258,408	573,117	835,037	30,284
Support services:					
Students	-	-	-	522,955	2,707
Instruction	-	-	-	-	-
General Administration	-	-	-	40,741	1,083
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	3,379,215	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	<u>15,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,394,374</u>	<u>258,408</u>	<u>573,117</u>	<u>1,398,733</u>	<u>34,074</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>577,473</u>	<u>13,951</u>	<u>76,110</u>	<u>-</u>	<u>-</u>
Other financing sources and uses:					
Transfers In	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	577,473	13,951	76,110	-	-
Fund balance (deficit) at beginning of the year	<u>1,940,042</u>	<u>149,918</u>	<u>339,010</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of the year	<u>\$ 2,517,515</u>	<u>\$ 163,869</u>	<u>\$ 415,120</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2017**

Special Revenue Funds

	IDEA-B CEIS Fund #24112	21st Century Community Learning Centers Fund #24119	IDEA-B Student Success Fund #24132	Title III English Language Fund #24153	Title II Teacher Quality Fund #24154
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	191,611	527,792	-	115,892	467,908
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>191,611</u>	<u>527,792</u>	<u>-</u>	<u>115,892</u>	<u>467,908</u>
Expenditures:					
Current:					
Instruction	112,408	440,364	-	104,844	281,495
Support services:					
Students	79,203	-	-	-	-
Instruction	-	-	-	9,052	171,479
General Administration	-	14,992	-	1,996	10,874
School Administration	-	-	-	-	4,060
Central Services	-	72,436	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>191,611</u>	<u>527,792</u>	<u>-</u>	<u>115,892</u>	<u>467,908</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources and uses:					
Transfers In	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-	-
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2017

	Special Revenue Funds			
	Safe and Drug Free Schools Fund #24157	Title I School Improvement Fund #24162	Reading First Fund #24167	Carl D Perkins Secondary - Current Fund #24174
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	-	44,490	-	-
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	44,490	-	-
Expenditures:				
Current:				
Instruction	-	43,200	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	1,290	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	44,490	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
Other financing sources and uses:				
Transfers In	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -

(cont'd; 3 of 16)

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2017

	Special Revenue Funds			
	Carl D Perkins Secondary - PY Unliq. Oblig <u>Fund #24175</u>	Carl D Perkins Secondary Redistribution <u>Fund #24176</u>	Carl D Perkins HSTW - Current <u>Fund #24180</u>	Carl D Perkins HSTW - Redistribution <u>Fund #24182</u>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources and uses:				
Transfers In	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2017**

Special Revenue Funds

	USDA Equipment Assist <u>Fund #24183</u>	US HHS/CDC School Health <u>Fund #24186</u>	ARRA - Title I <u>Fund #24201</u>	ARRA - Title I 1003g <u>Fund #24224</u>	Public Health Services Health Ed <u>Fund #25122</u>
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	-	442	-	-	-
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>442</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	-	75	-	-	-
Support services:					
Students	-	367	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>442</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources and uses:					
Transfers In	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-	-
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 5 of 16)

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2017

Special Revenue Funds

	Johnson O'Malley Fund #25131	Impact Aid Special Education Fund #25145	Impact Aid Indian Education Fund #25147	GRADS Child Care Fund #25149	Promotion of the Arts Fund #25151
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	365,934	430,533	4,686,116	-	-
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>365,934</u>	<u>430,533</u>	<u>4,686,116</u>	<u>-</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	246,699	283,400	-	-	-
Support services:					
Students	19,742	316,315	1,740	-	-
Instruction	82,132	-	476,688	-	-
General Administration	10,099	18,333	85,863	-	-
School Administration	-	-	-	-	-
Central Services	-	-	285,279	-	-
Operation & Maintenance of Plant	-	-	2,061,706	-	-
Student transportation	7,262	10,987	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	205,404	-	-
Capital outlay	-	-	364,303	-	-
Total expenditures	<u>365,934</u>	<u>629,035</u>	<u>3,480,983</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(198,502)</u>	<u>1,205,133</u>	<u>-</u>	<u>-</u>
Other financing sources and uses:					
Transfers In	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	(198,502)	1,205,133	-	-
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>543,336</u>	<u>1,969,537</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ 344,834</u>	<u>\$ 3,174,670</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2017**

Special Revenue Funds

	Title XIX Medicaid Fund #25153	Indian Ed Formula Grant Fund #25184	Navajo Nations Fund #25201	Gear Up New Mexico State Initiatives Fund #25205	Heifer International Fund #26119
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	494,111	1,044,829	318,911	355,058	-
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>494,111</u>	<u>1,044,829</u>	<u>318,911</u>	<u>355,058</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	-	773,914	-	169,944	-
Support services:					
Students	204,117	-	121,890	185,114	-
Instruction	-	215,430	-	-	-
General Administration	-	30,350	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	197,021	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>204,117</u>	<u>1,019,694</u>	<u>318,911</u>	<u>355,058</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>289,994</u>	<u>25,135</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources and uses:					
Transfers In	-	-	-	-	-
Transfers out	-	-	-	-	(1,823)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,823)</u>
<i>Net change in fund balance</i>	289,994	25,135	-	-	(1,823)
Fund balance (deficit) at beginning of the year	<u>26,495</u>	<u>98,770</u>	<u>-</u>	<u>-</u>	<u>1,823</u>
Fund balance (deficit) at end of the year	<u>\$ 316,489</u>	<u>\$ 123,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2017**

Special Revenue Funds

	Parents Reaching Out Fund #26174	Conoco Phillips Grant Fund #26200	Dual Credit Instructional Materials Fund #27103	GO Bond Library Fund #27105	Literacy For Children at Risk Fund #27107
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	-	-	-	-	-
Intergovernmental - state grants	-	-	18,212	-	1,553
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>18,212</u>	<u>-</u>	<u>1,553</u>
Expenditures:					
Current:					
Instruction	-	-	18,212	-	-
Support services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	1,553
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>18,212</u>	<u>-</u>	<u>1,553</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources and uses:					
Transfers In	-	-	-	-	-
Transfers out	<u>(1,803)</u>	<u>(5,809)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>(1,803)</u>	<u>(5,809)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	(1,803)	(5,809)	-	-	-
Fund balance (deficit) at beginning of the year	<u>1,803</u>	<u>5,809</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2017**

	Special Revenue Funds			
	PARCC Readiness Fund #27108	Reads to Leads Fund #27114	Incentives for School Improvement Fund #27138	Truancy Initiative Fund #27141
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
Other financing sources and uses:				
Transfers In	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2017**

	Special Revenue Funds				
	Pre-K Initiative Fund #27149	Indian Education Act Fund #27150	Breakfast for Elementary Students Fund #27155	Kindergarten 3-Plus Fund #27166	GO Bond 2010 Pre-K Classroom Fund #27174
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	-	-	-	-	-
Intergovernmental - state grants	1,223,118	24,616	67,029	495,842	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>1,223,118</u>	<u>24,616</u>	<u>67,029</u>	<u>495,842</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	916,872	24,616	-	307,960	-
Support services:					
Students	102,343	-	-	36,920	-
Instruction	41,623	-	-	14,251	-
General Administration	13,093	-	-	-	-
School Administration	1,200	-	-	49,416	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	147,987	-	-	51,970	-
Food services operations	-	-	67,029	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,223,118</u>	<u>24,616</u>	<u>67,029</u>	<u>460,517</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,325</u>	<u>-</u>
Other financing sources and uses:					
Transfers In	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	35,325	-
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,325</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2017**

	Special Revenue Funds			
	Science Instructional Materials <u>Fund #27176</u>	2013 School Bus <u>Fund #27178</u>	STEM Teacher Initiative <u>Fund #27181</u>	NM Grown <u>Fund #27183</u>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	444,517	-	5,000
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	444,517	-	5,000
Expenditures:				
Current:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	5,000
Community services	-	-	-	-
Capital outlay	-	444,517	-	-
Total expenditures	-	444,517	-	5,000
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
Other financing sources and uses:				
Transfers In	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2017

	Special Revenue Funds			
	College Counselor Initiative <u>Fund #27189</u>	Academic Language Development <u>Fund #27401</u>	Natural Healers <u>Fund #28106</u>	NM Highway Dept (Road) <u>Fund #28120</u>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	-	-	29,445
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	29,445
Expenditures:				
Current:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	29,445
Total expenditures	-	-	-	29,445
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
Other financing sources and uses:				
Transfers In	-	-	-	-
Transfers out	-	-	(862)	-
Total other financing sources and uses	-	-	(862)	-
<i>Net change in fund balance</i>	-	-	(862)	-
Fund balance (deficit) at beginning of the year	-	-	862	-
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2017

	Special Revenue Funds			
	<u>Gear Up</u>	<u>Grads-Child</u>	<u>Grads-</u>	<u>Grads Plus</u>
	<u>Fund #28178</u>	<u>Care</u>	<u>Instruction</u>	<u>Fund #28203</u>
		<u>Fund #28189</u>	<u>Fund #28190</u>	<u>Fund #28203</u>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	3,846	7,444	6,199
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	3,846	7,444	6,199
Expenditures:				
Current:				
Instruction	-	1,405	7,444	5,823
Support services:				
Students	-	1,876	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	565	-	-
Capital outlay	-	-	-	-
Total expenditures	-	3,846	7,444	5,823
<i>Excess (deficiency) of revenues</i>				
<i>over expenditures</i>	-	-	-	376
Other financing sources and uses:				
Transfers In	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	376
Fund balance (deficit) at beginning of the year	-	-	-	143
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ 519

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2017**

	Special Revenue Funds			
	Life Link Fund #29102	McCune Charitable Foundation Fund #29114	School Based Health Center Fund #29130	Total Nonmajor Special Revenue Funds
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	-	-	-	14,381,235
Intergovernmental - state grants	-	-	-	2,326,821
Contributions - private grants	24,802	-	-	24,802
Charges for services	-	-	-	985,653
Miscellaneous	-	-	-	2,979
Total revenues	<u>24,802</u>	<u>-</u>	<u>-</u>	<u>17,721,490</u>
Expenditures:				
Current:				
Instruction	18,178	-	-	5,453,699
Support services:				
Students	1,227	-	57,785	1,654,301
Instruction	-	-	-	1,012,208
General Administration	-	-	-	228,714
School Administration	-	-	-	54,676
Central Services	602	-	-	358,317
Operation & Maintenance of Plant	-	-	-	2,061,706
Student transportation	-	-	-	218,206
Food services operations	-	-	-	3,451,244
Community services	4,256	-	-	407,246
Capital outlay	23,960	-	-	877,384
Total expenditures	<u>48,223</u>	<u>-</u>	<u>57,785</u>	<u>15,777,701</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(23,421)</u>	<u>-</u>	<u>(57,785)</u>	<u>1,943,789</u>
Other financing sources and uses:				
Transfers In	-	-	-	-
Transfers out	-	-	-	(10,297)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,297)</u>
<i>Net change in fund balance</i>	<u>(23,421)</u>	<u>-</u>	<u>(57,785)</u>	<u>1,933,492</u>
Fund balance (deficit) at beginning of the year	<u>42,670</u>	<u>-</u>	<u>67,887</u>	<u>5,188,105</u>
Fund balance (deficit) at end of the year	<u>\$ 19,249</u>	<u>\$ -</u>	<u>\$ 10,102</u>	<u>\$ 7,121,597</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2017

	Capital Projects Funds			
	Special Capital Outlay - State Fund #31400	Special Capital Outlay - Federal Fund #31500	State SB-9 Match Fund #31700	Capital Improvements SB-9 Fund #31701
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 1,619,182
Oil and gas	-	-	-	4,912
Intergovernmental - federal grants	-	545,409	-	-
Intergovernmental - state grants	4,736,473	-	612,198	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>4,736,473</u>	<u>545,409</u>	<u>612,198</u>	<u>1,624,094</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	871	15,305
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	4,761,473	184,296	435,195	374,927
Total expenditures	<u>4,761,473</u>	<u>184,296</u>	<u>436,066</u>	<u>390,232</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(25,000)</u>	<u>361,113</u>	<u>176,132</u>	<u>1,233,862</u>
Other financing sources and uses:				
Transfers In	-	-	-	36,535
Transfers out	-	-	(36,535)	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(36,535)</u>	<u>36,535</u>
<i>Net change in fund balance</i>	(25,000)	361,113	139,597	1,270,397
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>506,923</u>	<u>-</u>	<u>(28,674)</u>
Fund balance (deficit) at end of the year	<u>\$ (25,000)</u>	<u>\$ 868,036</u>	<u>\$ 139,597</u>	<u>\$ 1,241,723</u>

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STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2017**

	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:		
Taxes:		
Property	\$ 1,619,182	\$ 1,619,182
Oil and gas	4,912	4,912
Intergovernmental - federal grants	545,409	14,926,644
Intergovernmental - state grants	5,348,671	7,675,492
Contributions - private grants	-	24,802
Charges for services	-	985,653
Miscellaneous	<u>-</u>	<u>2,979</u>
Total revenues	<u>7,518,174</u>	<u>25,239,664</u>
Expenditures:		
Current:		
Instruction	-	5,453,699
Support services:		
Students	-	1,654,301
Instruction	-	1,012,208
General Administration	16,176	244,890
School Administration	-	54,676
Central Services	-	358,317
Operation & Maintenance of Plant	-	2,061,706
Student transportation	-	218,206
Food services operations	-	3,451,244
Community services	-	407,246
Capital outlay	<u>5,755,891</u>	<u>6,633,275</u>
Total expenditures	<u>5,772,067</u>	<u>21,549,768</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,746,107</u>	<u>3,689,896</u>
Other financing sources and uses:		
Transfers In	36,535	36,535
Transfers out	<u>(36,535)</u>	<u>(46,832)</u>
Total other financing sources and uses	<u>-</u>	<u>(10,297)</u>
<i>Net change in fund balance</i>	1,746,107	3,679,599
Fund balance (deficit) at beginning of the year	<u>478,249</u>	<u>5,666,354</u>
Fund balance (deficit) at end of the year	<u>\$ 2,224,356</u>	<u>\$ 9,345,953</u>

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STATE REQUIRED DISCLOSURES

Supplemental schedules required by the State of
New Mexico to provide additional analysis.

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2017

Activity		Balance			Transfers	Balance
Fund	<u>ASSETS</u>	<u>June 30, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>In / (Out)</u>	<u>June 30, 2017</u>
001	Central Activity - District	\$ 101,210	\$ 29,691	\$ 32,038	\$ 4,273	\$ 103,136
100	Career Prep High School	4,849	91	-	-	4,940
116	Eva B Stokely Elem School	10,062	13,023	11,745	-	11,340
135	Grace B Wilson Elem Sch	18,389	5,322	8,165	-	15,546
175	Kirtland Central High Sch	54,984	121,688	131,961	187,059	231,770
275	Kirtland Elementary Sch	267,823	30,147	26,313	(187,210)	84,447
360	Mesa Elementary School	12,996	19,685	11,809	-	20,872
375	Naschitti Elementary Sch	2,039	4,401	3,325	-	3,115
400	Newcomb Elementary School	4,075	17,927	16,540	-	5,462
430	Kirtland Early Child. Ctr	1,299	482	1	-	1,780
450	Newcomb High School	62,995	67,942	64,957	-	65,980
525	Newcomb Middle School	22,040	16,199	15,347	-	22,892
575	Nizhoni Elementary School	10,164	2,294	3,445	-	9,013
600	Ojo Amarillo Elem School	9,133	8,979	8,111	-	10,001
625	Ruth N Bond Elem School	13,696	4,451	2,147	-	16,000
675	Shiprock High School	122,383	129,050	136,450	-	114,983
785	Tse Bi Tai Middle School	55,398	36,520	44,195	-	47,723
826	Kirtland Middle School	49,891	26,872	26,498	-	50,265
900	Nataani Nez Elem School	<u>14,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,405</u>
	Pooled cash and investments	837,831	534,764	543,047	4,122	833,670
	Due from District funds	<u>6,292</u>	<u>-</u>	<u>-</u>	<u>(4,122)</u>	<u>2,170</u>
		<u>\$ 844,123</u>	<u>\$ 534,764</u>	<u>\$ 543,047</u>	<u>\$ -</u>	<u>\$ 835,840</u>
 <u>LIABILITIES</u>						
	Deposits held for others	<u>\$ 844,123</u>	<u>\$ 534,764</u>	<u>\$ 543,047</u>	<u>\$ -</u>	<u>\$ 835,840</u>

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2017

	<u>Wells Fargo Bank</u> <u>Bank</u>	<u>Bank of The</u> <u>Southwest</u>	<u>Wells Fargo</u> <u>Investments</u>	<u>State Treasury</u> <u>Pool</u>	<u>New Mexico</u> <u>Finance Authority</u>
Cash on deposit at June 30, 2017:					
Checking and savings	\$ 33,134,390	\$ 172,019	\$ 1,250,106	\$ 4,373	\$ 778,688
Less: FDIC coverage	(250,000)	(172,019)	(1,250,106)	-	-
Uninsured funds	<u>\$ 32,884,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,373</u>	<u>\$ 172,039</u>
Amount requiring pledged collateral:					
50% collateral requirement	\$ 16,442,195	\$ -	\$ -	\$ 2,187	\$ 86,020
Pledged collateral	<u>17,812,350</u>	<u>-</u>	<u>-</u>	<u>4,373</u>	<u>778,688</u>
Excess (deficiency) of pledged collateral	<u>\$ 1,370,155</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,186</u>	<u>\$ 692,668</u>

Pledged collateral of financial institutions consists of the following at June 30, 2017

<u>Wells Fargo Bank</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
FHLB	8/1/2042	3138MOXE5	<u>\$ 17,812,350</u>

The above letters of credit are held at New York Mellon, NY.

State of New Mexico/New Mexico Finance Authority:

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

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

CASH RECONCILIATION
Year Ended June 30, 2017

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 16,654,963	\$ 49,743,908	\$ 54,962,876	\$ (2,909,515)	\$ 8,526,480	\$ (1,602) ⁽¹⁾	\$ 8,524,878
Teachergage	112,847	501,272	411,668	39,313	241,764	-	241,764
Transportation	30,037	1,994,152	2,005,137	(4)	19,048	-	19,048
Instructional Materials	644,688	426,444	871,556	(56,890)	142,686	-	142,686
Food Services	1,761,405	3,676,593	3,084,153	52	2,353,897	-	2,353,897
Athletics	149,918	272,358	258,407	-	163,869	-	163,869
Activity Funds	347,125	649,227	570,293	-	426,059	-	426,059
Federal Flowthrough Funds	(1,651,791)	5,947,357	5,947,357	1,796,703	3,582	-	3,582
Federal Direct Funds	2,734,776	7,818,504	6,561,224	212,743	4,204,799	-	4,204,799
Local Grants	9,435	-	-	(9,435)	-	-	-
State Flowthrough Funds	(1,033,667)	3,235,494	2,261,948	100,448	40,327	1,602 ⁽²⁾	41,929
State Direct Funds	(22,221)	17,700	46,558	51,598	519	-	519
Local/State	103,057	24,802	103,078	7,500	32,281	-	32,281
Bond Building	12,992,118	-	5,281,596	46,605	7,757,127	(1,250,106)	6,507,021
Special Capital Outlay - State	-	-	25,000	-	(25,000)	-	(25,000)
Special Capital Outlay - Federal	512,227	545,409	189,600	-	868,036	-	868,036
State SB-9 Match	(36,534)	612,198	436,067	-	139,597	-	139,597
Capital Improvements SB-9	-	1,622,339	390,232	-	1,232,107	-	1,232,107
Debt Service	4,863,315	5,543,100	6,128,817	714,000	4,991,598	-	4,991,598
Agency Funds	-	-	-	-	-	833,670	833,670
Total	\$ 38,171,698	\$ 82,489,527	\$ 89,535,567	\$ (6,882)	\$ 31,118,776	\$ (416,436)	\$ 30,702,340
Account Name	Account Type	Bank Name	Bank Amount	Adjustments to report:			
Operational	Checking - Interest	Wells Fargo	\$ 18,146,476	Agency funds	\$	833,670	
WF Savings	Savings - Interest	Wells Fargo	14,240,712	Interfund loans - pooled cash ⁽¹⁾		1,602	
BSW Activity	Checking	Bank of the Southwest	90,756	Interfund loans - pooled cash ⁽²⁾		(1,602)	
BSW Operating	Checking	Bank of the Southwest	81,263	Investment account		(1,250,106)	
WF Investments WF 1ABG29	Investment CDs	Wells Fargo Investments	1,250,106	Total adjustment to the report	\$	(416,436)	
NMFA	Agency	NMFA	4	Adjustments to cash:			
NMFA	Agency	NMFA	778,684	Bank Balance	\$	35,339,576	
LGIP Pool	State Investment Pool	State Investment Pool	4,373	Cash on hand		(1,250,106)	
Payroll Clearing	Checking	Wells Fargo	-	Outstanding deposits		-	
Activity Account WF	Checking - Interest	Wells Fargo	747,202	Outstanding checks		(3,387,130)	
Accounts Payable Clearing	Checking	Wells Fargo	-	Errors		-	
				Total adjusted cash	\$	30,702,340	

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 Council and Audit Committee of
Central Consolidated Schools

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 Central Consolidated Schools as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Central Consolidated Schools' basic financial statements, and the combining and individual funds and related budgetary comparisons of Central Consolidated Schools, presented as supplemental information, and have issued our report thereon dated November 10, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered Central Consolidated Schools' 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 Central Consolidated Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Central Consolidated Schools' 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 Central Consolidated Schools' 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. Finding 2017-001 and 2017-002. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether Central Consolidated Schools's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. We also noted certain other matters that are required to be reported pursuant to *Government Auditing Standards* and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 2017-001 through 2017-006.

Tim Keller, State Auditor
The Council and Audit Committee of
Central Consolidated Schools

Central Consolidated Schools' Response to Findings

Central Consolidated Schools responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Central Consolidated Schools' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Central Consolidated Schools'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
November 10, 2017



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 Audit Committee of
Central Consolidated Schools

Report on Compliance for Each Major Federal Program

We have audited Central Consolidated Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Central Consolidated Schools' major federal programs for the year ended June 30, 2017. Central Consolidated Schools' 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 Central Consolidated Schools' 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 Central Consolidated Schools' 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 Central Consolidated Schools' compliance.

Opinion on Each Major Federal Program

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

Tim Keller, State Auditor,
The Board of Education and Audit Committee of
Central Consolidated Schools

Report on Internal Control Over Compliance

Management of Central Consolidated Schools 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 Central Consolidated Schools' 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 Central Consolidated Schools' 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
November 10, 2017

SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

STATE OF NEW MEXICO
CENTRAL CONSOLIDATED SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2017

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed To Subrecipients</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
Pass-Through Program From:					
New Mexico Department of Education:					
<u>Child Nutrition Cluster:</u>					
USDA National School Lunch Program	10.555	21000	-	\$ 2,060,844	
USDA School Breakfast Program	10.553	21000	-	<u>766,812</u>	
Total Child Nutrition Cluster					2,827,656
Pass-Through Program From:					
New Mexico Human Service Department:					
USDA Commodities Program	10.565	21000	-		300,106
New Mexico Children, Youth, and Families:					
Child & Adult Food Program	10.558	21000	-		<u>266,612</u>
<i>Total U.S. Department of Agriculture</i>					<u>3,394,374</u>
U.S. Department of Interior					
Pass-Through Programs From:					
Office of the Navajo Nation:					
Johnson O'Malley	15.130	25131	-		<u>365,934</u>
U.S. Department of Education:					
Direct Programs:					
Impact Aid Indian Education	84.041	11000	-		18,422,822
Impact Aid Special Education	84.041	25145	-		629,035
Impact Aid Indian Education	84.041	25147	-		3,480,983
Special Capital Outlay - Federal	84.040	31500	-		184,296
Indian Ed Formula Grant	84.060	25184	-		1,019,694
Navajo Nations	84.410	25201	-		318,911
Gear Up New Mexico State Initiatives	84.334	25205	-		<u>355,058</u>
<i>Subtotal Direct Programs</i>					<u>24,410,799</u>
Pass-Through Programs From:					
New Mexico Department of Education:					
<u>Special Education (IDEA) Cluster:</u>					
Entitlement IDEA-B	84.027	24106	-	1,398,733	
Preschool IDEA-B	84.173	24109	-	34,074	
IDEA-B CEIS	84.027	24112	-	<u>191,611</u>	
Total Special Education (IDEA) Cluster					1,624,418
Title I	84.010	24101	-		3,138,390
21st Century Community Learning Centers	84.287C	24119	-		527,792
Title III English Language	84.365	24153	-		115,892
Title II Teacher Quality	84.367	24154	-		467,908
Title I School Improvement	84.010	24162	-		44,490
US HHS/CDC School Health	93.507	24186	-		<u>442</u>
<i>Subtotal Pass-Through Programs</i>					<u>5,919,332</u>
<i>Total U.S. Department of Education</i>					30,330,131
U.S. Department of Health and Human Services:					
Pass-Through Program From:					
New Mexico Department of Health:					
Title XIX Medicaid	93.778	25153	-		<u>204,117</u>
Total Expenditures of Federal Awards			<u>\$ -</u>		<u>\$ 34,294,556</u>

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

NOTES THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

1. Scope of audit pursuant to OMB Uniform Grant Guidance

All federal grant operations of Central Consolidated Schools (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 2017 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 2017 cash and non-cash expenditures to ensure coverage of at least 40% (HIGH risk auditee) of federally granted funds. Actual coverage is approximately 69% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$33,994,450 and all non-cash expenditures amounted to \$300,106.

<u>MAJOR FEDERAL PROGRAM</u>	<u>EXPENDITURE</u>
Cash Assistance:	
Impact Aid	\$ 22,717,136
Title II Teacher Quality	467,908
Johnson O'Malley	<u>365,934</u>
Total	<u>\$ 23,550,978</u>

The District did not have any federal programs considered high risk Type A programs for the 2017.

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, 2017. 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, 2017, 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, 2017 and the federal awards expended during the year are as follows:

Federal Sources	\$ 36,765,877
Indirect costs from federal programs	(278,021)
Unexpended federal sources from current year	(2,391,802)
Prior year federal sources expended	<u>198,502</u>
Total Expenditures of Federal Awards	<u>\$ 34,294,556</u>

4. Indirect Costs

The District has not elected to use the 10% de minimis indirect cost.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2017

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?	✓	—	2
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		
Title II Teacher Quality	84.367		
Johnson O'Malley	15.130		
The threshold for distinguishing types A and B programs: <u>\$1,028,837</u>			
Auditee qualified as low-risk auditee?	—	✓	

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

II. FINDINGS RELATED TO FINANCIAL STATEMENTS

2017 – 001 CONTROLS OVER CAPITAL ASSETS (Original No. 2014 – 001)
Significant Deficiency
(Repeat of prior year finding; updated and revised)

Condition: Management does not have written policies and procedures for controlling the capital assets master file. There is not an approval process for making changes to the master file. Additionally, there is not a second person designated to monitor and maintain the master file in the event of illness or termination. The District is currently working on developing policies and procedures that establish internal controls over capital assets. The capital assets were inventoried in the current year and were not reconciled to the detail list of capital assets from the prior year ending balances. The capital assets were overwritten. There were assets added that was not on the prior year list and assets missing from this year's list that was on the prior year list difference is \$49,423.

Criteria: NMAC 2.20.1.8A states "Agencies should implement systematic and well-documented methods for accounting for their fixed assets. A computerized system is recommended, with appropriate controls on access and authorization of transactions." A system of internal controls should be in place to provide reasonable assurance that the objectives to external reporting and compliance with laws and regulations as recommended by COSO.

Effect of condition: The capital asset master file is susceptible to unauthorized alterations, either intentional or accidental. The District is also at risk of not complying with laws and regulations in the event of an extended illness or other event that results in the position of maintaining the master file being vacated.

Cause: Management has not approved and implemented an official system of controls for maintaining and reviewing the capital assets master file.

Recommendation: An official system of controls over the capital assets master file should be developed, approved by the governing board, and implemented. The system should dictate the documenting and approval of changes to the master file. The system should also establish a regular monitoring of the master file to ensure it has not been altered and allows for consistent tracking and reporting.

Management's Response: Management will approve and implement an official system of controls for maintaining and reviewing the capital assets master file. The Business Coordinator will work in conjunction with construction and warehouse personnel on maintaining the capital assets master file and access will be restricted to minimize the risk of unauthorized changes. The identified individual will receive training on the procedures developed for maintaining complete and up-to-date capital assets listings.

Person/positions responsible for overseeing corrective actions: Business Coordinator, Warehouse Supervisor, and Finance Clerk will develop and implement an official system that will be approved by the Superintendent, Cabinet of Directors and Board of Education.

Timeline for corrective actions: Prior to June 30, 2018.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

2016 – 002 RECONCILIATION OF PAYROLL ACCOUNTS (Original No. 2015 – 010)
Significant deficiency
(Repeat of prior year finding; updated and revised)

Condition: The Districts had not reconciled the Employee Retirement Board with a difference of \$21,799 between the amount paid and the amount calculated for eligible payroll. The current year payroll liability accounts for NIMPSIA payable at June 30, 2017 is \$544,543 and the prior year NIMPSIA payable was restated in the amount of \$77,292. In the prior year the District had payroll liabilities on the books in the amount of \$527,385.

Criteria: According to New Mexico Public Education Department's Procedures for Public School Accounting and Budgeting (PSAB Supplement 7), general ledger control must exist over all bank accounts and it is imperative to good internal control that all financial transactions are recorded immediately. No "manual" checks should be allowed, but rather control procedures should be in place to fully utilize features in the Financial Management System. Also, 6-10-2 NMSA 1978 requires all items of receipts and disbursements to be entered in detail daily and the cash record shall be balanced daily so as to show the balance of public money on hand at the close of each day's business.

Cause: Invoices received from NMPSIA should be reconciled to the balances withheld from employee paychecks and the employers portion of the NMPSIA as required by 1978 NMSA 6-10-2 and 6NMAC 2.2.1.14.11. Central Consolidated School District began a new accounting software. In setting up the software and all the employee payroll withholding there were errors, which was not reconciled until after the end of the year.

Effect of condition: The outstanding amount in the liabilities were incorrectly reported, and understated in the process of reconciling all the errors from the prior year. The NMPSIA payable should be reconciled monthly as required by 1978 NMSA 6-10-2 and 6NMAC 2.2.1.14.11.

Recommendation: The invoices should be reconciled every month to allow the expenses to be correctly reported, and help locate errors in the NMPSIA invoice and in the general ledger.

Management's response: The District has contracted with a third party to perform an analysis of the District's utilization of the Visions accounting software and to make recommendations of changes that will be made to enable accurate monthly payroll liability reconciliations to the general ledger and invoices. The Business Coordinator and Payroll Specialist will be trained to perform a reconciliation of system generated payroll liabilities to invoices to ensure amounts reported in the general ledger are accurate and that vendors are paid appropriately.

Person/positions responsible for overseeing corrective actions: Business Coordinator and the Payroll Specialist will continue working on the liability reconciliation process based on training and software revisions.

Timeline for corrective actions: Prior to June 30, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2017

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

2017 – 003 LACK OF CONTROL OVER CASH DEPOSITS (Original No. 2015 – 002)
 Other Noncompliance
 (Repeat of prior year finding; updated and revised)

Condition: Two of the thirty receipts tested was not deposited within one banking day (or on the authorized extension of a week). There were 14,205 receipts in the population of receipts. Last year where there was one receipts found out of the 30 tested.

<u>Receipt Issue Date</u>	<u>Deposit Date</u>	<u>Receipt Amount</u>	<u>Total Deposit</u>	<u>Days Late</u>
9/1/2016	9/9/2016	\$ 4	\$ 11	8
6/2/2017	6/12/2017	\$ 40	\$ 2,020	10

Criteria (Required for financial audits performed under Government Auditing Standards): NMAC 6.20.2.14(c) states that money received and receipted shall be deposited in the bank within 24 hours or one banking day. The District was granted an extension of time to at least weekly if the deposits are less than \$850.00, due to the distance to the Bank

Cause: Deposits at times were taking more than 24 hours to be deposited in the bank.

Effect of condition: The District is in violation of NMAC 6.20.2.14(c). Cash retained by management for extended periods of time are susceptible to misuse or fraud.

Recommendation: Receipts should be deposited within one banking day. Receipts issued should be reconciled to the cash collected, and to the bank deposit slip.

Management's response: The District will continue the implementation of cash receipting and depositing processes that have significantly reduced the incidents of violation of the "24 hour deposit" rule. Training of staff located outside of the central office has begun and will continue.

Person/positions responsible for overseeing corrective actions: Business Coordinator, finance staff, Superintendent and cabinet of district directors, principals and staff at the school sites.

Timeline for corrective actions: Prior to June 30, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2017

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

2017 – 004 PURCHASE MADE PRIOR TO APPROVAL (Original No. 2013 – 007)
 Other Noncompliance
 (Repeat of prior year finding; updated and revised)

Condition: Seven of the thirty disbursements tested, amounting to \$9,893, indicated that purchases were made prior to the approval of purchase orders. Purchase orders are used to control cash and to authorize the purchases in accordance with the authorized budget. In the prior year the testing found four unauthorized purchase out of thirty items tested.

<u>PO Date</u>	<u>Vendor</u>	<u>Invoice Date</u>	<u>Check Amount</u>
7/14/2016	New Mexico Coalition of Schools	7/7/2016	\$ 675
7/25/2016	Person	7/14/2016	275
8/23/2016	Person	7/14/2016	827
9/16/2017	ThomasKelly Software	9/1/2017	6,000
8/16/2016	B&H Wholesale	8/8/2016	852
4/3/2017	Fan Cloth	3/24/2017	1,199
4/25/2017	Person	3/29/2017	65

Criteria: Authorization for a purchase is acquired through the completion of a purchase order, which is signed by a person given authority over purchase control. The purchase order must be approved prior to the purchase or ordering of goods as per PSAB Supplement 13.

Cause: Personnel initiated and/or completed purchases prior to obtaining approval for the purchase in accordance with established policies and regulations.

Effect of condition: Any purchases made without prior authorization have the potential to cause cash deficits in the funds from which they are made or violations of the approved budget.

Recommendation: The importance of cash controls and adequate planning need to be made clear to all personnel that will be making purchases for the school.

Management's response: The District will contact vendors and inform them that all CCSD purchases require a purchase order on an annual basis. The District will continue the use of the "after the fact" justification form for "after the fact" purchases, as a means to reduce and ultimately eliminate the incidents of violation of the rule. Justification for deviating from the policy must be reviewed and approved by several individuals – Chief Procurement Officer, Chief Financial Officer, Superintendent as well as the Governing Board. If the justification form is not approved, the employee is required to pay for the goods or services from personal funds. Lastly, training of staff related to this issue will continue.

Person/positions responsible for overseeing corrective actions: All district employees with purchasing authority.

Timeline for corrective actions: Prior to June 30, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2017

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

2017 – 005 LATE PAYMENT OF INVOICES (Original No. 2015 – 004)
 Other noncompliance
 (Repeat of prior year finding; updated and revised)

Condition: We tested thirty disbursements and found four that were paid more than thirty days after the invoice date. The disbursements totaled \$1,751 and ranged from 34 days to 52 days past the invoice date averaging 38 days. In the prior year, there were six invoices paid late.

<u>Invoice date</u>	<u>Check number</u>	<u>Check Date</u>	<u>Check Amount</u>	<u>Days Late</u>
7/7/2016	193559	8/9/2016	\$ 675	33
7/14/2016	193753	8/12/2016	827	29
8/22/2016	194501	10/13/2016	184	52
3/29/2017	197589	5/4/2017	65	36

Criteria: Disbursement payments made in remittance for products and/or services received by the District should be made in a timely manner as part of sound accounting practices. Payment should be made within vendor terms or within thirty days of the invoice date.

Cause: The District does not have effective controls in place to ensure that purchases are paid within a reasonable time.

Effect of condition: Late fees can be added to the cost of purchases made that are not paid for in a timely manner. Payment of such late fees is not an allowable cost under the guidelines established by the federal government.

Recommendation: A system should be implemented to ensure that invoices are processed and paid within a period not to exceed thirty days from the invoice date. The system should allow for payment of invoices at least twice a month.

Management's Response: The district will communicate with all vendors to send all invoices to the central office to ensure all invoices are received and processed by the central office Accounts Payable Office to reduce processing time. The District will reevaluate the IVISIONS system to implement an accounts payable aging report along with close monitoring of all incoming vendor invoices.

Person/positions responsible for overseeing corrective actions: Business Coordinator, Accounts Payable Technician and finance staff

Timeline for corrective actions: Prior to June 30, 2018.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

2017 – 006 CAPITAL ASSET DELETIONS NOT REPORTED TO THE STATE AUDITOR
Other noncompliance

Condition: The District disposed of assets without the required 30 day notice to the State Auditors Office

Criteria: The New Mexico State Auditor has issued NMAC 2.2.2, Requirements for Contracting and Conduction Audits of Agencies, requiring school districts to give notifications before disposing of any capital assets.

Cause: The District does not have effective controls in place to ensure that the District reported to the State Auditors Office the assets being disposed of during the year.

Effect of condition: The District is not in compliance with New Mexico Audit Rule NMAC 2.2.2.

Recommendation: Written Notice should be given to the New Mexico State Auditor's Office after the approval from the Board of Education for the disposal of capital assets but before the actual disposition. The District needs to wait the 30 days after notifying the State Auditors.

Management's Response: Management will approve and implement an official system of controls for maintaining and reviewing capital assets to be disposed. The District will communicate and follow the New Mexico State Auditor's Office Capital Assets requirements in disposing of assets during the fiscal year. A written notice will be prepared and submitted within 15-days of disposing District assets by the Business Coordinator overseeing capital assets. Monitoring will be conducted on a quarterly basis.

Person/positions responsible for overseeing corrective actions: Business Coordinator, Warehouse Supervisor, and Finance Clerk will develop and implement an official system that will be approved by the Cabinet of Directors, Superintendent, and Board of Education.

Timeline for corrective actions: Prior to June 30, 2018.

III. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings required to be reported relating to federal awards.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2017

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I. NOT RESOLVED

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

2016 – 001 CONTROLS OVER CAPITAL ASSETS (Original No. 2014 – 001)

2016 – 004 RECONCILIATION OF PAYROLL ACCOUNTS (Original No. 2015 – 010)

2016 – 005 LACK OF CONTROL OVER CASH DEPOSITS (Original No. 2015 – 002)

2016 – 012 LATE PAYMENT OF INVOICES (Original No. 2015 – 004)

II. RESOLVED

There were no findings to be reported from the prior year.

2016 – 002 LACK OF CONTROLS OVER CASH (Original No. 2014 – 004)

2016 – 003 STALE DATED CHECKS (Original No. 2015 – 005)

2016 – 006 LACK OF TIMELY MONITORING OF BUDGET (Original No. 2011 – 003)

2016 – 007 LATE AUDIT REPORT (Original No. 2011 – 004)

2016 – 008 PURCHASE MADE PRIOR TO APPROVAL (Original No. 2013 – 007)

2016 – 009 STATE REPORTS (Original No. 2014 – 002)

2016 – 010 UNAUTHORIZED TEMPORARY INTER-FUND LOANS (Original No. 2014 – 007)

2016 – 011 DORMANT FUNDS (Original No. 2015 – 001)

2016 – 013 INADEQUATE INTERNAL CONTROLS (Original No. 2015 – 008)

2016 – 014 LATE FILING OF FEDERAL CLEARING HOUSE REPORTING

REQUIRED DISCLOSURE

YEAR ENDED JUNE 30, 2017

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The independent public accountants assisted in the preparation of the financial statements.

An exit conference was held November 13, 2017 and was attended by the following individuals:

CENTRAL CONSOLIDATED SCHOOLS

Ruthda W. Thomas	Member, Board of Education / Audit Committee
Randy Manning	Member, Audit Committee
Dr. Bowman	Superintendent; Member, Audit Committee
Cheryl Thompson	Chief Financial Officer
Kristy Stock	Federal Programs
Shelley Lowman	Business Coordinator-General Ledger
Herbie Clichee	Business Coordinator-Budget and Finance

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
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