

OFFICIAL STATEMENT DATED JANUARY 20, 2017

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6,  
SAN JUAN COUNTY, NEW MEXICO  
(the "District")

\$10,895,000 - General Obligation Refunding Bonds, Series 2017 (the "Series 2017 Bonds" or the "Bonds")

**NEW ISSUE**

**Book-Entry Only**

**Moody's rating: A1 Underlying/Aa2 Enhanced**

**Maturity Schedule (On Inside Cover)**

|                              |   |
|------------------------------|---|
| <b>PURPOSES</b>              | Proceeds of the Series 2017 Bonds will be used for the purpose of (1) defeasing and advance refunding of the District's outstanding General Obligation School Building and Refunding Bonds, Series 2009 (the "Refunded Bonds") and (2) paying costs of issuance of the Series 2017 Bonds.   |
| <b>THE SERIES 2017 BONDS</b> | The Series 2017 Bonds are issuable as fully registered bonds and when initially issued will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). The Series 2017 Bonds will be issuable as fully registered bonds without coupons in the denominations set forth herein. Purchases of the Series 2017 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through a DTC Participant. Beneficial owners of the Series 2017 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2017 Bonds. Interest on the Series 2017 Bonds is payable on each September 1 and March 1, commencing September 1, 2017 until stated maturity or prior redemption. As long as DTC or its nominee is the registered owner of the Series 2017 Bonds, reference in this Official Statement to registered owner will mean Cede & Co., and payments of principal of and interest on the Series 2017 Bonds will be made directly to DTC by the Paying Agent. Disbursements of such payments to DTC Participants are the responsibility of DTC. See "The Bonds - Book-Entry Only System" herein. BOKF, N.A., New Mexico (or successor in function) will serve as the initial Registrar, Paying Agent and Escrow Agent for the Series 2017 Bonds. |
| <b>REDEMPTION</b>            | The Series 2017 Bonds maturing on or after September 1, 2027 may be redeemed prior to their scheduled maturities on September 1, 2026, or any date thereafter. See "THE BONDS – Optional Prior Redemption" herein. The Series 2017 Bonds maturing on September 1, 2030 are subject to mandatory sinking fund redemption. See "THE BONDS – Mandatory Sinking Fund Redemption" herein.  |
| <b>SECURITY</b>              | The Series 2017 Bonds are general obligations of the Bloomfield Municipal School District No. 6, payable solely out of general (ad valorem) property taxes which are required to be levied against all taxable property in the District without limitation as to rate or amount. The Series 2017 Bonds are additionally secured by the New Mexico School District Enhancement Program as discussed in more detail under "New Mexico School District Enhancement Program" herein.  |
| <b>BOND AND TAX OPINION</b>  | In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, under existing law and assuming continuous compliance with certain covenants in the documents relating to the Series 2017 Bonds and requirements of the Internal Revenue Code of 1986, as amended, (the "Code") interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes, and the interest on the Series 2017 Bonds is not treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations. However, for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes) such interest is taken into account in determining adjusted current earnings. Bond Counsel is further of the opinion that interest on the Series 2017 Bonds is excluded from net income for purposes of certain New Mexico taxes imposed on individuals, estates, trusts and corporations. Bond Counsel expresses no opinion regarding other federal income tax consequences relating to the accrual or receipt of interest on the Series 2017 Bonds. (See "Tax Exemption" herein.)   |
| <b>DELIVERY</b>              | When, as and if issued, through DTC's facilities, on or about February 22, 2017.  |
| <b>DATED DATE</b>            | Date of initial delivery of the Series 2017 Bonds to the Underwriters.  |
| <b>DUE DATE</b>              | September 1, as shown on the inside front cover:  |

STIFEL

BAIRD

PIPER JAFFRAY & CO.

**MATURITY SCHEDULE**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017**

| Year     |             |               |        | Year                   |          |             |               |        |                        |
|----------|-------------|---------------|--------|------------------------|----------|-------------|---------------|--------|------------------------|
| Maturing | Principal   | Interest Rate | Yield  | Cusip # <sup>(1)</sup> | Maturing | Principal   | Interest Rate | Yield  | Cusip # <sup>(1)</sup> |
| (Sept 1) |             |               |        |                        | (Sept 1) |             |               |        |                        |
| 2023     | \$1,200,000 | 3.000%        | 2.080% | MB7                    | 2026     | \$1,315,000 | 5.000%        | 2.590% | ME1                    |
| 2024     | 1,235,000   | 3.000%        | 2.280% | MC5                    | 2027     | 1,380,000   | 4.000%        | 2.700% | (c) MF8                |
| 2025     | 1,275,000   | 3.000%        | 2.440% | MD3                    | 2028     | 1,435,000   | 5.000%        | 2.820% | (c) MG6                |

\$3,055,000, 3.000% Term Bond maturing 9/1/2030, Price 97.602 (Yield 3.220%) - CUSIP 094077MJ0<sup>(1)</sup>

<sup>(1)</sup> CUSIP numbers are included solely for the convenience of owners of the Series 2017 Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. The Underwriters are not responsible for the selection or correctness of the CUSIP numbers set forth herein.

(c) = Initial yield shown to first available optional redemption date of September 1, 2026.

**ISSUER**

Bloomfield Municipal School District No. 6  
San Juan County, New Mexico  
325 North Bergin Lane  
Bloomfield, New Mexico 87413  
(505) 632-4300

**BOARD OF EDUCATION**

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*Eric Smith, Vice President*  
*Veronica D. Tso, Secretary*  
*Bruce Armenta, Member*  
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**DISTRICT ADMINISTRATION**

*Dr. Kim Mizell, Superintendent*  
*Jodie Maestas, Director of Finance*

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## A Few Words About Official Statements

Official statements for municipal securities issues – like this one – contain the only “official” information about a particular issue of municipal securities. This Official Statement is not an offer to sell or solicitation of an offer to buy Series 2017 Bonds in any jurisdiction where it is unlawful to make such offer, solicitation or sale and no unlawful offer, solicitation or sale of the Series 2017 Bonds may occur through this Official Statement or otherwise. This Official Statement is not a contract and provides no investment advice. Investors should consult their advisors and legal counsel with their questions about this Official Statement, the Bonds or anything else related to this issue.

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### MARKET STABILIZATION

*In connection with this Official Statement, the Underwriters may over-allot or effect transactions which stabilize and maintain the market price of the Series 2017 Bonds at a level above that which might otherwise prevail in the open market. The Underwriters are not obligated to do this and are free to discontinue it at any time.*

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The estimates, forecasts, projections and opinions in this Official Statement are not hard facts, and no one, including the District, guarantees them.

The information set forth or included in this Official Statement has been provided by the District and from other sources believed by the District to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the District described herein since the date hereof. This Official statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

Modrall, Sperling, Roehl, Harris & Sis, P.A., Albuquerque, New Mexico is serving as disclosure counsel to the District, has assisted in preparation of the Official Statement, has reviewed its contents, and has participated in conferences with representatives of the District, Financial Advisor, and the Underwriters to issue its disclosure opinion. Such firm has no responsibility for the accuracy or

completeness of any information furnished in connection with any offer or sale of the Series 2017 Bonds in the Official Statement or otherwise. The legal fees to be paid to bond counsel and disclosure counsel for services rendered in connection with the issuance of the Series 2017 Bonds is contingent, in part, upon the sale and delivery of such Series 2017 Bonds and all legal fees will be paid from bond proceeds.

Any part of this Official Statement may change at any time, without prior notice. Also, important information about the District and other relevant matters may change after the date of this Official Statement.

The Series 2017 Bonds are exempt from registration with the United States Securities and Exchange Commission and consequently have not been registered therewith. The registration, qualification, or exemption of the Series 2017 Bonds in accordance with applicable securities law provisions of the jurisdiction in which the Series 2017 Bonds have been registered, qualified, or exempted should not be regarded as a recommendation thereof.

The Underwriters have reviewed the information contained in the Official Statement in accordance with their responsibilities to investors under federal securities laws as applicable to the circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The Underwriters make no representation as to the accuracy, completeness, or adequacy of the information supplied by DTC for use in this Official Statement.

The prices or yields at which the Series 2017 Bonds are offered to the public by the Underwriters may vary from the initial public offering prices or yields appearing on the inside front cover of this Official Statement.

All document summaries are just that – they are not complete or definitive, and they may omit relevant information. Such documents are qualified in their entirety to the complete documents. Any investor who wishes to review the full text of documents may request them at no cost from the District or the Financial Advisor as follows:

**District**

Bloomfield Municipal School District No. 6  
325 North Bergin Lane  
Bloomfield, New Mexico 87413  
Attention: Dr. Kim Mizell

**Financial Advisor**

RBC Capital Markets, LLC  
6301 Uptown Blvd. NE, Suite 110  
Albuquerque, NM 87110  
Attention: Paul J. Cassidy

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# **Bloomfield Municipal School District No. 6, San Juan County, New Mexico (the "District")**

**\$10,895,000 - General Obligation Refunding Bonds, Series 2017 (the "Series 2017 Bonds" or the "Bonds")**

## **INTRODUCTION**

This Official Statement is furnished to prospective purchasers of Bloomfield School District No. 6, New Mexico, General Obligation Refunding Bonds, Series 2017 (the "Series 2017 Bonds" or the "Bonds"), issued in the aggregate principal amount of \$10,895,000 by the District. This Official Statement will tell you about the Series 2017 Bonds, their security and the risks involved in an investment in the Bonds.

Although the District has approved this Official Statement, it does not intend it to substitute for competent investment advice, tailored for your situation.

### **The District**

The District is a political subdivision of the State organized for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The District includes the City of Bloomfield. See "THE DISTRICT" herein. The District is located in the northwest corner of the State. The District has one Pre-K School, three Elementary Schools, one Junior High and two High Schools. 2016-17 Enrollment was 2,957. See "THE DISTRICT" herein.

### **Security**

The Series 2017 Bonds are general obligations of the District and paid from ad valorem taxes that are levied against all taxable property within the District without the limitation as to the rate or amount. Neither the State nor the San Juan County (the "County") has any responsibility to pay the debt service on the Series 2017 Bonds. The Series 2017 Bonds are additionally secured by the New Mexico School District Enhancement Program as discussed in more detail under "New Mexico School District Enhancement Program" herein.

### **Limited Role of Auditors**

Except for the audited financial statements of the District for the year ended June 30, 2016, contained in Appendix B, this Official Statement presents unaudited financial and statistical information from District records and other sources and financial information extracted from the District's audited financial statements.

### **Plan of Finance**

Proceeds of the Series 2017 Bonds will be used for (1) the defeasance and advance refunding of the District's General Obligation School Building and Refunding Bonds, Series 2009 maturing on after September 1, 2018 (the "Refunded Bonds"); and (2) paying the costs of issuance of the Series 2017 Bonds. The Refunded Bonds, maturing in the years 2019 through 2024, will be redeemed on September 1, 2018 (the "Redemption Date") at 100% of the principal amount thereof plus accrued interest to the redemption date. Additionally, on the Closing Date of the Series 2017 Bonds, the 2018 maturity of the Series 2009 Bonds will be defeased to its maturity date of September 1, 2018.

The principal and interest due on the Refunded Bonds are to be paid on the scheduled interest payment dates and the Redemption Date of the Refunded Bonds, from funds to be deposited pursuant to that certain Escrow Agreement (the "Escrow Agreement") between the District and BOKF, N.A. ("Escrow Agent"). The Bond Resolution provides that from the proceeds of the sale of the Series 2017 Bonds and District cash, if necessary, the District will deposit with the Escrow Agent the amount necessary to accomplish the discharge and final payment of the Refunded Bonds on the Redemption Date. Such funds will be held by the Escrow Agent in a special escrow account (the "Escrow Fund") and used to purchase direct obligations of the United States of America (the "Federal Securities"). Under the Escrow Agreement the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds.

Causey, Demgen & Moore P.C., a nationally recognized accounting firm, will verify at the time of delivery of the Series 2017 Bonds to the District, the mathematical accuracy of the schedules that demonstrate the Federal Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds. Such maturing principal of and interest on the Federal Securities will not be available to pay any of the Series 2017 Bonds (see "Verification of Arithmetical Computations").

By the deposit of the Federal Securities and cash, if necessary, with the Escrow Agent pursuant to the Escrow Agreement, the District will have effected the defeasance of the Refunded Bonds in accordance with the law. It is the opinion of Bond Counsel that as a result of such defeasance and in reliance upon the accountant's verification report, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Federal Securities and any cash held for such purpose by the Escrow Agent and such Refunded Bonds will not be deemed as being outstanding obligations of the District payable from taxes nor for the purpose of applying any limitation on the issuance of debt.

### Selected Debt Ratios

|  |                                |
|--|--------------------------------|
| 2016 Assessed Valuation                                | \$727,788,170                  |
| 2016 Estimated Actual Valuation                        | \$2,328,462,248 <sup>(1)</sup> |
| District General Obligation                            |                                |
| Debt Outstanding                                       | \$33,515,000 <sup>(2)</sup>    |
| Series 2017 Bonds                                      | <u>10,895,000</u>              |
|  | \$44,410,000                   |
| District Net General Debt                              | \$43,024,218                   |
| Estimated Direct & Overlapping General Obligation Debt | \$51,202,963                   |
| District Net Debt as a Percentage of                   |                                |
| Assessed Valuation                                     | 5.91%                          |
| Estimated Actual Valuation                             | 1.85%                          |
| Direct and Overlapping Debt as a Percentage of         |                                |
| Assessed Valuation                                     | 7.04%                          |
| Estimated Actual Valuation                             | 2.20%                          |
| Estimated Population                                   | 46,000                         |
| District Net Debt Per Capita                           | \$935.31                       |
| Direct and Overlapping Debt Per Capita                 | \$1,113.11                     |

*(1) Actual valuation is computed by adding the exemptions to the assessed valuation and multiplying the result by three.*

*(2) Excludes the Refunded Bonds.*



## SOURCES AND USES

It is anticipated that the proceeds of the Bonds will be applied as follows:

| <b>Sources:</b>     |                        |
|---------------------|------------------------|
| Par Amount of Bonds | \$10,895,000.00        |
| Premium             | 785,012.05             |
| <b>Total</b>        | <b>\$11,680,012.05</b> |

| <b>Uses:</b>           |                        |
|------------------------|------------------------|
| Deposit to Escrow Fund | \$11,536,680.41        |
| Costs of Issuance      | 93,500.00              |
| Underwriters' Discount | 48,034.00              |
| Debt Service Fund      | 1,797.64               |
| <b>Total</b>           | <b>\$11,680,012.05</b> |

## THE BONDS

New Mexico law enables the District to issue the Bonds (Section 6-15-1 through Section 6-15-22, NMSA, 1978). The New Mexico Attorney General will provide a written approving opinion with respect to the Bonds.

### General Terms

The Bonds will be dated the date of their initial delivery to the Underwriters, will bear interest at the rates and mature in the amounts and on the dates shown on the front cover and inside front cover of this Official Statement. All Bonds are fully registered in denominations of \$5,000 or integral multiples thereof in conformance with the Constitution and laws of the State and pursuant to the Bond Resolution. Bond payments will be made through the facilities of The Depository Trust Company New York, New York ("DTC"), and DTC will then remit the payments to its participants for disbursement to the beneficial owners of the Bonds. See "**Book-Entry Only System**" in Appendix C.

### Bond Registrar and Paying Agent

BOKF, N.A. (or successor) will serve as Paying Agent and Registrar for the Bonds. In the Bond Resolution, the District retains the right to replace the Paying Agent/Registrar. The District covenants to maintain and provide a Paying Agent/Registrar at all times while the Series 2017 Bonds are outstanding. Upon any change in the Paying Agent/Registrar for the Series 2017 Bonds, the District will promptly cause a written notice thereof to be sent to each registered owner of the Series 2017 Bonds.

### Payment of Principal and Interest; Record Date

Subject to the provisions set forth in "Book-Entry Only System" in Appendix C, the principal of the Bonds is payable to the registered owners of the Bonds at the principal office of the Paying Agent. Interest on the Bonds is payable by check or draft of the Paying Agent mailed on or before each interest payment date to the registered owners of the Bonds as of the close of business on the 15<sup>th</sup> day of the calendar month preceding the interest payment date (the "Regular Record Date") at the addresses appearing in the registration books maintained by the Registrar; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on the date to be fixed by Registrar whenever moneys become available for the payment of defaulted interest (the "Special Record Date").

### Optional Prior Redemption

The Series 2017 Bonds maturing on or after September 1, 2027 may be redeemed prior to their scheduled maturities on September 1, 2026, or on any date thereafter, in whole or in part, at the option of the District, with funds derived from any available and lawful source, at the redemption price of par, plus accrued interest to the date fixed for redemption. If the District redeems only part of the Bonds of a given maturity, the Registrar will select those Bonds by lot.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption have been met and moneys sufficient to pay the principal of and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

### Mandatory Sinking Fund Redemption

The Series 2017 Bonds maturing on September 1, 2030 are subject to mandatory sinking fund redemption prior to their stated maturity and shall be redeemed in part at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on September 1 in each of the years as follows:

Term Bond due September 1, 2030:

|                                       |                               |
|---------------------------------------|-------------------------------|
| Mandatory Redemption Date: 09/1/2029  | Principal Amount: \$1,505,000 |
| Mandatory Redemption Date: 09/1/2030* | Principal Amount: \$1,550,000 |

\* Stated Maturity

### Redemption Notices

The Registrar must, by first class mail, give redemption notices to the registered owners of the affected bonds and to various securities depositories and information services not less than 30 days prior to the redemption date. ***Please note that failure to give notice or any defect in such notice will not affect the validity of the redemption for Bonds which notice was properly given.*** No transfer of Bonds called for redemption shall be made within 45 days of the date of redemption.

Not more than 60 days nor less than 30 days prior to each sinking fund redemption date, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from the Bonds maturing on September 1, 2030 a principal amount of such Bonds equal to the aggregate principal amount of such Bonds redeemable with the required mandatory sinking fund payment, shall call such Bonds or portions thereof (\$5,000 or any integral multiple thereof) for such redemption on such mandatory sinking fund redemption date, and shall give notice of such call.

While the Bonds remain under the Book-Entry-Only System, the Paying Agent/Registrar will send notices only to DTC. Any problems from DTC through its system to the beneficial owners of the Bonds will not affect the validity of the Bond redemption or any other action based on the Paying Agent/Registrar's notice. Investors in the Bonds might consider arranging to receive redemption notices or other communications from DTC which affect them, including notice of interest payments. See "**Book-Entry Only System**" in Appendix C.

If the Paying Agent/Registrar gives proper redemption notice and the Paying Agent/Registrar holds money to pay the redemption price of the affected Bonds, then on the redemption date the Bonds called for redemption will become due and payable. Thereafter, no interest will accrue on those Bonds, and their owners' only right will be to receive payment of the redemption price upon surrender of those Bonds to the Registrar.

## Transfers and Exchanges

Registered Bond owners may surrender and transfer their Bonds, in person or by duly authorized attorney, at the office of the Paying Agent/Registrar. They must complete an approved transfer form and pay any taxes or governmental charges which apply to the transfer. As explained in Appendix C, while DTC is the securities depository for the Bonds, it will be the sole registered owner of the Bonds.

## Defeasance

General. The Bond Resolution provides for the defeasance of the Bonds and the termination of the pledge of taxes and revenues and all other general defeasance covenants in the Bond Resolution under certain circumstances. Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of the Bond Resolution when the payment of all principal and interest payable with respect to such Bond to the due date or dates thereof (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (1) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (2) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar/Escrow Agent or an eligible entity for such payment (a) lawful money of the United States of America sufficient to make such payment, (b) Defeasance Securities (defined below) that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the District with the Paying Agent/Registrar/Escrow Agent or an eligible entity for the payment of its services until after all Defeased Bonds shall have become due and payable or (c) any combination of (a) and (b). At such time as a Bond shall be deemed to be a Defeased Bond, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues levied and pledged as provided in the Bond Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities.

The deposit under clause (2) above shall be deemed a payment of a Bond when proper notice of redemption of such Bonds shall have been given, in accordance with the Bond Resolution. Any money so deposited with the Paying Agent/Registrar/Escrow Agent or an eligible entity may at the discretion of the District also be invested in Defeasance Securities, maturing in the amounts and at the times as set forth in the Bond Resolution, and all income from such Defeasance Securities received by the Paying Agent/Registrar/Escrow Agent or an eligible trust company or commercial bank that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the District.

Investments. Any escrow agreement or other instrument entered into between the District and the Paying Agent/Registrar/Escrow Agent or an eligible entity pursuant to which money and/or Defeasance Securities are held by the Paying Agent/Registrar/Escrow Agent or an eligible trust company or commercial bank for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of certain requirements. All income from such Defeasance Securities received by the Paying Agent/Registrar/Escrow Agent or an eligible trust company or commercial bank which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, will be remitted to the District.

For the purposes of these provisions, "Defeasance Securities" means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America.

## SECURITY AND REMEDIES

The Bonds are general obligations of the District payable from general (ad valorem) property taxes that may be levied against all taxable municipal property within the District without limitation as to of rate or amount.

The District must use all of the property taxes collected for debt service, and any other legally available money, to pay the debt service on the Bonds and other outstanding debt.

Various New Mexico laws and constitutional provisions apply to the assessment and collection of ad valorem property taxes. There is no guarantee that there will not be any changes that would have a material effect on the District.

The Series 2017 Bonds are additionally secured by the New Mexico School District Enhancement Program as discussed in more detail under "New Mexico School District Enhancement Program" herein.

### **Limitations of Remedies**

There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may need to be enforced from year to year.

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the District in issuing the Bonds, are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect; usual equity principles that may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Note to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

## **NEW MEXICO SCHOOL DISTRICT ENHANCEMENT PROGRAM**

The New Mexico legislature amended NMSA 1978 Section 22-18-1 et. seq. in the first session of 2003 by adding Section 22-18-13 which became effective July 1, 2003. Section 22-18-13 was further amended in 2007 and provides that, if the school district indicates that it will not make the payment by the date on which such payment is due, the New Mexico Department of Finance and Administration ("DFA") shall forward the amount in immediately available funds necessary to make the payment due on the bonds to the paying agent from the current fiscal year's undistributed State Equalization Guarantee ("SEG") distribution to that school district and, if not otherwise repaid by the school district from other legally available funds, withhold the distributions from the school district until the amount has been recouped by the DFA, provided that, if the amount of the undistributed SEG distribution in the current fiscal year is less than the payment due on the bond, the DFA shall:

- (1) forward in immediately available funds to the paying agent an amount equal to the total amount of the school district's undistributed SEG distribution and, if not otherwise repaid by the school district from other legally available funds, withhold all distributions to the school district for the remainder of the fiscal year; and
- (2) on July 1 of the following fiscal year, forward in immediately available funds an amount equal to the remaining amount due to the paying agent from that year's SEG distribution and, if not otherwise repaid by the school district from other legally available funds, withhold an equal amount from the distribution to the school district until the amount paid has been recouped in full.

### **This provision applies to all New Mexico school districts.**

Withholding of the SEG distribution may affect the District's ability to continue to operate.

The New Mexico School District Enhancement Program was initially put on watch list for possible downgrade on May 15, 2007 after the State adopted new legislation that altered the mechanics of the program. After a review of the law and policies regarding the implementation of the law, program ratings were bifurcated, with one rating applying to bonds issued prior to the March 30, 2007 effective date of the legislation and a second rating applying to bonds issued on or after the March 30, 2007 effective date. Under the new law, the State cannot immediately advance more than the remaining undistributed SEG payments for the fiscal year of default. As a result, those school districts with principal and interest payments that become due in the latter part of the fiscal year or that are significant in amount relative to the district's total annual SEG distribution may not have sufficient undistributed SEG payments to cover debt service payments in the event of a default.

Moody's downgraded the New Mexico School District Enhancement Program (Pre and Post-Default) to Aa2 from Aa1, and assigned a negative outlook on November 1, 2016, which reflects the State of New Mexico recent rating downgrade and outlook.

**The Moody's rating for the New Mexico School District Enhancement Program is Aa2. The Moody's rating for the New Mexico School District Enhancement Program for the District is Aa2.**

Moody's has assigned a rating to school district bonds following its verification of a requirement in the authorizing bond resolution that an independent, third-party paying agent will be appointed and maintained. The District has qualified the Bonds under the New Mexico School District Enhancement Program.

## DEBT AND OTHER FINANCIAL OBLIGATIONS

Article IX, Section 11 of the New Mexico Constitution limits the powers of a school district to incur general obligation debt extending beyond the fiscal year. The school district can incur such debt for the purpose of erecting, remodeling, making additions to and furnishing school buildings or purchasing or improving school grounds or any combination of these purposes but only after the proposition to create any such debt has been submitted to a vote of the qualified electors of the school district, and a majority of those voting on the question vote in favor of creating the debt. The total indebtedness of the school district may not exceed 6% of the assessed valuation of the taxable municipal property within the school district as shown by the last preceding general assessment. The school district also may create a debt by entering into a lease-purchase arrangement to acquire education technology equipment without submitting the proposition to a vote of the qualified electors of the school district, but any such debt is subject to the 6% debt limitation. The issuance of refunding bonds does not have to be submitted to a vote of the qualified electors of the school district.

The most recent assessed valuation of taxable municipal property within the District is \$727,788,170 for the tax year 2016, as approved by the State of New Mexico Taxation and Revenue Department, Property Tax Division. The maximum general obligation indebtedness of the District may not exceed 6% of the assessed valuation or \$43,889,921.

After the Bonds are issued, the ratio of total outstanding general obligation (G/O) debt of the District to the 2016 assessed valuation will be no greater than 5.91% as summarized below:

|   |                                 |
|---|---------------------------------|
| 2016 Assessed Valuation   | \$727,788,170                   |
| 2016 Estimated Actual Valuation                                 | \$2,328,462,248 <sup>(1)</sup>  |
| Bonded Debt   |                                 |
| Total Outstanding (including the Bonds)                         | \$44,410,000 <sup>(2)</sup>     |
| Less Debt Service Fund Balance                                  | <u>1,385,782</u> <sup>(3)</sup> |
| NET DEBT  | <u>\$43,024,218</u>             |
| Ratio of Estimated Net Debt to 2016 Assessed Valuation:         | 5.91%                           |
| Ratio of Estimated Net Debt to 2016 Estimated Actual Valuation: | 1.85%                           |
| Per Capita Net Bonded Debt:                                     | \$935.31                        |
| Estimated Population:   | 46,000                          |

*(1) Estimated actual valuation is computed by adding the exemptions to the assessed valuation and multiplying the result by three.*

*(2) Excludes the Refunded Bonds and includes the Series 2017 Bonds.*

*(3) The debt service fund cash balance was \$1,724,896.06 as of 11/30/2016. The amount properly attributable to principal reduction is 80.3%.*

## Outstanding Debt

The District has issued debt ("Outstanding Debt") in the past for various capital improvements and has never defaulted in the payment of any of its debt or other obligations. Listed below is the District's total general obligation debt outstanding, including the Bonds.

| Series | Original Amount Issued | Final Maturity | Principal Amount Outstanding |
|--------|------------------------|----------------|------------------------------|
| 2009   | \$19,055,000           | 09/01/2024     | \$1,145,000 <sup>(1)</sup>   |
| 2010   | 6,000,000              | 08/01/2027     | 5,350,000                    |
| 2011   | 20,875,000             | 09/01/2022     | 14,775,000                   |
| 2014   | 13,615,000             | 10/01/2022     | 12,245,000                   |
| 2017   | 10,895,000             | 09/01/2030     | 10,895,000                   |
|        | <b>\$70,440,000</b>    |                | <b>\$44,410,000</b>          |

(1) Excludes the Refunded Bonds.

## Debt Service Requirements to Maturity

The District schedules principal and interest payments at the time of the bond sales with constraints being general obligation debt capacity and expected property tax revenues and computed at the desired tax rate. Listed below is a summary of the currently scheduled principal and interest payments on the District's outstanding debt, as well as the proposed principal and interest payments on the Bonds.

| Year         | Current Requirements <sup>(1)</sup> |                    |                     | Series 2017         |                    | Total Requirements  |                    |                     |
|--------------|-------------------------------------|--------------------|---------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
|              | Principal                           | Interest           | Total               | Principal           | Interest           | Principal           | Interest           | Total               |
| 2017         | \$5,000,000                         | \$1,016,146        | \$6,016,146         |                     | \$207,716          | \$5,000,000         | \$1,223,862        | \$6,223,862         |
| 2018         | 4,490,000                           | 864,146            | 5,354,146           |                     | 395,650            | 4,490,000           | 1,259,796          | 5,749,796           |
| 2019         | 4,945,000                           | 716,146            | 5,661,146           |                     | 395,650            | 4,945,000           | 1,111,796          | 6,056,796           |
| 2020         | 5,325,000                           | 576,346            | 5,901,346           |                     | 395,650            | 5,325,000           | 971,996            | 6,296,996           |
| 2021         | 5,285,000                           | 390,196            | 5,675,196           |                     | 395,650            | 5,285,000           | 785,846            | 6,070,846           |
| 2022         | 5,370,000                           | 237,296            | 5,607,296           |                     | 395,650            | 5,370,000           | 632,946            | 6,002,946           |
| 2023         | 600,000                             | 55,796             | 655,796             | \$1,200,000         | 395,650            | 1,800,000           | 451,446            | 2,251,446           |
| 2024         | 600,000                             | 55,796             | 655,796             | 1,235,000           | 359,650            | 1,835,000           | 415,446            | 2,250,446           |
| 2025         | 600,000                             | 55,796             | 655,796             | 1,275,000           | 322,600            | 1,875,000           | 378,396            | 2,253,396           |
| 2026         | 600,000                             | 55,796             | 655,796             | 1,315,000           | 284,350            | 1,915,000           | 340,146            | 2,255,146           |
| 2027         | 700,000                             | 55,796             | 755,796             | 1,380,000           | 218,600            | 2,080,000           | 274,396            | 2,354,396           |
| 2028         |                                     |                    |                     | 1,435,000           | 163,400            | 1,435,000           | 163,400            | 1,598,400           |
| 2029         |                                     |                    |                     | 1,505,000           | 91,650             | 1,505,000           | 91,650             | 1,596,650           |
| 2030         |                                     |                    |                     | 1,550,000           | 46,500             | 1,550,000           | 46,500             | 1,596,500           |
| <b>TOTAL</b> | <b>\$33,515,000</b>                 | <b>\$4,079,254</b> | <b>\$37,594,254</b> | <b>\$10,895,000</b> | <b>\$4,068,366</b> | <b>\$44,410,000</b> | <b>\$8,147,620</b> | <b>\$52,557,620</b> |

(1) Excludes the Refunded Bonds.

## Statement of Estimated Direct and Overlapping Debt

The following table shows the estimated direct and overlapping general obligation debt and the per capita debt of the District payable from property taxes. In addition to outstanding debt of the District, the table includes debt attributable to taxing entities which is the responsibility of taxpayers within the boundaries of the District. Revenue bonds are payable from sources other than property taxes and thus, are not included.

|  | <b>2016<br/>Assessed Valuation</b> | <b>G/O Debt<br/>Outstanding</b> | <b>Percent<br/>Applicable</b> | <b>Amount</b>                      |
|--|------------------------------------|---------------------------------|-------------------------------|------------------------------------|
| State of New Mexico  | \$61,607,964,708 <sup>(1)</sup>    | \$326,755,000                   | 1.18%                         | \$3,860,027                        |
| San Juan County  | 3,637,535,171                      | -                               | 20.01%                        | -                                  |
| San Juan College   | 3,637,535,171                      | 12,110,000                      | 20.01%                        | 2,422,936                          |
| City of Bloomfield   | 155,115,739                        | 510,000                         | 100.00%                       | 510,000                            |
| Bloomfield Public School District No. 6  | 727,788,170                        | 44,410,000 <sup>(2)</sup>       | 100.00%                       | 44,410,000 <sup>(2)</sup>          |
| <b>Total Direct &amp; Overlapping</b>  |                                    |                                 |                               | <b>\$51,202,963 <sup>(2)</sup></b> |
| Ratio of Estimated Direct & Overlapping Debt to 2016 Assessed Valuation:         |                                    |                                 |                               | 7.04%                              |
| Ratio of Estimated Direct & Overlapping Debt to 2016 Estimated Actual Valuation: |                                    |                                 |                               | 2.20%                              |
| Per Capita Direct & Overlapping Debt:  |                                    |                                 |                               | \$1,113.11                         |
| Estimated Population   |                                    |                                 |                               | 46,000                             |

(1) Tax Year 2016 Preliminary Assessed Value.

(2) Excludes the Refunded Bonds and includes the Series 2017 Bonds.

Source: San Juan County Assessor's Office.

## TAX BASE

### Analysis of Assessed Valuation

Assessed valuation of property within the District is calculated as follows: Of the total estimated actual valuation of all taxable municipal property in the District, 33-1/3% is legally subject to ad valorem taxes. The actual value of personal property within the District is determined by the county assessor. The actual value of certain corporate property within the District (see "Centrally Assessed" below) is determined by the State of New Mexico Taxation and Revenue Department, Property Tax Division. The valuation of oil and natural gas for property tax purposes is calculated by the Oil and Gas Accounting Division. The assessed valuation of the District by property tax component is as follows:

| Assessments                       | 2016                       | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 |
|-----------------------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Value of Land                     | \$74,714,220               | \$71,939,390         | \$68,783,988         | \$64,630,175         | \$61,536,798         | \$57,763,918         |
| Improvements                      | 177,215,744                | 170,974,515          | 167,501,750          | 160,745,568          | 153,279,221          | 134,514,294          |
| Personal Property                 | 26,734,775                 | 22,696,376           | 17,512,344           | 17,938,350           | 17,847,004           | 19,113,816           |
| Manufactured Homes                | 12,568,330                 | 13,199,710           | 12,915,451           | 13,295,134           | 13,356,424           | 13,463,554           |
| Livestock                         | 649,553                    | 612,573              | 425,015              | 460,515              | 489,204              | 415,444              |
| <b>Assessor's Total Valuation</b> | <b>\$291,882,622</b>       | <b>\$279,422,564</b> | <b>\$267,138,548</b> | <b>\$257,069,742</b> | <b>\$246,508,651</b> | <b>\$225,271,026</b> |
| <b>Less Exemptions</b>            | <b>\$48,365,913</b>        | <b>\$46,025,893</b>  | <b>\$46,356,079</b>  | <b>\$42,047,945</b>  | <b>\$37,943,552</b>  | <b>\$23,427,642</b>  |
| Assessors' Net Valuation          | 243,516,709                | \$233,396,671        | \$220,782,469        | \$215,021,797        | \$208,565,099        | \$201,843,384        |
| Centrally Assessed                | 241,295,588                | 230,333,353          | 220,613,329          | 216,744,073          | 220,381,827          | 239,436,955          |
| Oil and Gas**                     | 242,975,873 <sup>(1)</sup> | 425,941,076          | 342,339,235          | 315,204,706          | 476,864,324          | 411,155,848          |
| <b>Total Assessed Valuation</b>   | <b>\$727,788,170</b>       | <b>\$889,671,100</b> | <b>\$783,735,033</b> | <b>\$746,970,576</b> | <b>\$905,811,250</b> | <b>\$852,436,187</b> |
|                                   | <b>2016</b>                | <b>2015</b>          | <b>2014</b>          | <b>2013</b>          | <b>2012</b>          | <b>2011</b>          |
| Residential                       | \$170,362,115              | \$166,457,342        | \$160,775,707        | \$156,224,151        | \$149,969,106        | \$144,044,025        |
| Non-Residential                   | 314,450,182                | 297,272,681          | 280,620,091          | 275,541,719          | 278,977,820          | 297,236,314          |
| Oil and Gas**                     | 242,975,873 <sup>(1)</sup> | 425,941,076          | 342,339,235          | 315,204,706          | 476,864,324          | 411,155,848          |
|                                   | <b>\$727,788,170</b>       | <b>\$889,671,099</b> | <b>\$783,735,033</b> | <b>\$746,970,576</b> | <b>\$905,811,250</b> | <b>\$852,436,187</b> |

\*\* Oil & Gas Values reflect previous calendar year.

(1) A substantial portion of the District's taxable assessed valuation is in oil and gas related business activities. Adverse developments in economic conditions, especially in the oil and natural gas industry, could adversely impact the businesses that own mineral properties in the District and the tax values in the District, resulting in less local tax revenue.

Source: San Juan County Assessor's Office.



## History of Assessed Valuation

The following is a history of assessed valuation for the District compared with San Juan County.

| <b>Tax Year</b> | <b>The District</b> | <b>San Juan County</b> |
|-----------------|---------------------|------------------------|
| 2016            | \$727,788,170       | \$3,637,535,171        |
| 2015            | 889,671,100         | 3,986,139,843          |
| 2014            | 783,735,033         | 3,699,760,378          |
| 2013            | 746,970,576         | 3,659,080,964          |
| 2012            | 905,811,250         | 4,074,550,253          |
| 2011            | 852,436,187         | 4,015,634,242          |
| 2010            | 782,656,790         | 3,752,314,577          |
| 2009            | 1,174,802,824       | 4,765,779,308          |
| 2008            | 1,067,201,354       | 4,400,707,242          |
| 2007            | 991,087,121         | 4,259,131,064          |

Source: San Juan County Assessor.

## Major Taxpayers

Below is a list of the major taxpayers in the District for tax year 2016. The ten largest taxpayers in the District had a combined assessed valuation of \$222,889,417 which represents 30% of the 2016 assessed valuation. A substantial portion of the District's taxable assessed valuation is in oil and gas related business activities. See "Major Taxpayers" below. Adverse developments in economic conditions, especially in the oil and natural gas industry, could adversely impact the businesses that own mineral properties in the District and the tax values in the District, resulting in less local tax revenue. If any major taxpayer were to default in the payment of taxes, the ability of the District to make timely payment of debt service on the Series 2017 Bonds will be dependent on its ability to enforce and liquidate its tax lien, which is a time-consuming process. See "TAX BASE – Interest on Delinquent Taxes," "-Penalty on Delinquent Taxes," and "-Remedies Available for Non-Payment of Taxes" herein.

| <b>Name</b>                   | <b>Business</b>   | <b>2016 A.V.</b>     | <b>% of AV</b> |
|-------------------------------|-------------------|----------------------|----------------|
| Enterprise Field Services LLC | Oil Field Service | \$75,997,216         | 10.44%         |
| Williams Four Corners         | Pipeline          | 38,648,824           | 5.31%          |
| Mid-America Pipeline          | Pipeline          | 24,681,882           | 3.39%          |
| Transwestern Pipeline         | Pipeline          | 23,384,810           | 3.21%          |
| El Paso Natural Gas           | Pipeline          | 16,760,225           | 2.30%          |
| Conoco Phillips               | Pipeline          | 13,370,017           | 1.84%          |
| Cortez Pipeline               | Pipeline          | 9,501,899            | 1.31%          |
| City of Farmington            | Electric Utility  | 7,792,769            | 1.07%          |
| New Mexico Gas Company        | Gas               | 6,912,710            | 0.95%          |
| Williams Flexible Generation  | Field Services    | 5,839,065            | 0.80%          |
|                               |                   | <b>\$222,889,417</b> | <b>30.63%</b>  |

Source: San Juan County Assessor's Office.

## School Tax Rates

The following table summarizes the historical school tax levies on property within the District since the 2012 tax year (2012-13 fiscal year). The Public School Capital Improvement Levy (i.e., the Two Mill Levy) is renewed every six years, and was most recently renewed by the District on February 2, 2013. The next Two Mill Levy election is in 2019.

| Tax Year | Operational |            | Two Mill Levy |            | Debt                   | Total    |            |
|----------|-------------|------------|---------------|------------|------------------------|----------|------------|
|          | Resid.      | Non-Resid. | Resid.        | Non-Resid. | Service <sup>(1)</sup> | Resid.   | Non-Resid. |
| 2012     | \$ 0.299    | \$ 0.500   | \$ 1.856      | \$ 2.000   | \$ 6.752               | \$ 8.907 | \$ 9.252   |
| 2013     | 0.298       | 0.500      | 2.000         | 2.000      | 9.005                  | 11.303   | 11.505     |
| 2014     | 0.295       | 0.500      | 1.979         | 2.000      | 7.337                  | 9.611    | 9.837      |
| 2015     | 0.293       | 5.000      | 1.964         | 2.000      | 8.367                  | 10.624   | 15.367     |
| 2016     | 0.291       | 5.000      | 1.952         | 2.000      | 8.999                  | 11.242   | 15.999     |

Source: New Mexico Department of Finance & Administration.

(1) The debt service tax rate is the same for residential and non-residential property.

## Tax Rates

Article VIII, Section 2, of the New Mexico Constitution limits the total ad valorem taxes for operational purposes levied by all overlapping governmental units within a taxing district to \$20.00 per \$1,000 of assessed value. This limitation does not apply to levies for public debt and levies for additional taxes if authorized at an election by a majority of the qualified voters of the jurisdiction voting on the question.

| Within 20 Mill Limit for General Purposes                 |                 |                 |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 2016            | 2015            | 2014            | 2013            | 2012            |
| State of New Mexico                                       | \$0.000         | \$0.000         | \$0.000         | \$0.000         | \$0.000         |
| San Juan County   | 6.029           | 5.731           | 5.731           | 5.810           | 5.826           |
| San Juan Community College                                | 3.263           | 3.114           | 3.114           | 3.154           | 3.162           |
| City of Bloomfield  | 4.713           | 4.762           | 4.804           | 4.882           | 4.906           |
| The District  | <u>0.291</u>    | <u>0.293</u>    | <u>0.295</u>    | <u>0.298</u>    | <u>0.299</u>    |
| <b>Total</b>  | <b>\$14.296</b> | <b>\$13.900</b> | <b>\$13.944</b> | <b>\$14.144</b> | <b>\$14.193</b> |
| Over 20 Mill Limit - Interest, Principal, Judgement, etc. |                 |                 |                 |                 |                 |
| State of New Mexico                                       | \$1.360         | \$1.360         | \$1.360         | \$1.360         | \$1.360         |
| San Juan County   | 0.500           | 0.500           | 0.500           | 0.500           | 0.500           |
| San Juan Community College                                | 0.600           | 0.600           | 0.600           | 0.6             | 0.42            |
| City of Bloomfield  | 0.872           | 0.971           | 1.191           | 2.094           | 2.099           |
| The District  | <u>10.951</u>   | <u>10.335</u>   | <u>9.316</u>    | <u>11.005</u>   | <u>8.608</u>    |
| <b>Total</b>  | <b>\$14.283</b> | <b>\$13.766</b> | <b>\$12.967</b> | <b>\$15.559</b> | <b>\$12.987</b> |
| Total Levy  |                 |                 |                 |                 |                 |
| State of New Mexico                                       | \$1.360         | \$1.360         | \$1.360         | \$1.360         | \$1.360         |
| San Juan County   | 6.529           | 6.231           | 6.231           | 6.310           | 6.326           |
| San Juan Community College                                | 3.863           | 3.714           | 3.714           | 3.754           | 3.582           |
| The District  | 5.585           | 5.733           | 5.995           | 6.976           | 7.005           |
| Bloomfield Schools  | 11.242          | 10.628          | 9.611           | 11.303          | 8.907           |
| <b>Total</b>  | <b>\$28.579</b> | <b>\$27.666</b> | <b>\$26.911</b> | <b>\$29.703</b> | <b>\$27.180</b> |
| <b>Total in Unincorporated County</b>                     | <b>\$22.994</b> | <b>\$21.933</b> | <b>\$20.916</b> | <b>\$22.727</b> | <b>\$20.175</b> |

Source: State of New Mexico, Department of Finance & Administration.

## Yield Control Limitation

State law limits property tax increases from the prior property tax year. Specifically, no taxing entity may set a rate or impose a tax (excluding oil and gas production ad valorem and oil and gas production equipment ad valorem taxes) or assessment which will produce revenues which exceed the prior year's tax revenues from residential and non-residential property multiplied by a "growth control factor." The growth control factor is the percentage equal to the sum of (a) "percent change I" plus (b) the prior property tax year's total taxable municipal property value plus "net new value", as defined by Statute, divided by such prior property tax year's total taxable municipal property value, but if that percentage is less than 100%, then the growth control factor is (a) "percent change I" plus (b) 100%. "Percent change I" is based upon the annual implicit price deflator index for state and local government purchases of goods and services (as published in the United States Department of Commerce monthly publication entitled "Survey of Current Business," or any successor publication) and is a percent (not to exceed 5%) that is derived by dividing the increase in the prior calendar year (unless there was a decrease, in which case zero is used) by the index for such calendar year next preceding the prior calendar year. *The growth control factor applies to authorized operating levies and to any capital improvements levies, but does not apply to levies for paying principal and interest on public general obligation debt, including the Series 2017 Bonds.*

## Developments Limiting Residential Property Tax Increases

In an effort to limit large annual increases in residential property taxes in some areas of the State (particularly the Santa Fe and Taos areas which have experienced large increases in residential property values in recent years), an amendment to the uniformity clause (Article VIII, Section 1) of the New Mexico Constitution was proposed during the 1997 Legislative Session. The amendment was submitted to voters of the State at the general election held on November 3, 1998 and was approved by a wide margin.

The amendment directs the Legislature to provide for valuation of residential property in a manner that limits annual increases in valuation. The limitation may be applied to classes of residential property taxpayers based on occupancy, age or income. Further, the limitations may be authorized statewide or at the option of a local jurisdiction and may include conditions for applying the limitations.

Bills implementing the constitutional amendment were enacted in 2001 and were codified as Sections 7-36-21.2 NMSA 1978 and 7-36-21.3 NMSA 1978

Section 7-36-21.2 NMSA 1978 establishes a statewide limitation on residential property valuation increases beginning in tax year 2001. Annual valuation increases are limited to 3% over the prior year's valuation or 6.1% over the valuation from two years prior. Subject to certain exceptions, these limitations do not apply:

1. To property that is being valued for the first time;
2. To physical improvements made to the property in the preceding year;
3. When the property is transferred to a person other than a spouse, or a child who occupies the property as his principal residence and who qualifies for the head of household exemption on the property under the Property Tax Code;
4. When a change occurs in the zoning or use of the property; and
5. To property that is subject to the valuation limitations under Section 7-36-21.3 NMSA 1978.

On March 28, 2012, the New Mexico Court of Appeals upheld the constitutionality of a law capping residential valuation increases until a home changes ownership. The plaintiff appealed the case to the New Mexico Supreme Court. The Supreme Court affirmed the decision by the Court of Appeals. The New Mexico Legislature has brought up the issue of the disparity in valuations in the past several years, but has not enacted any of the bills into law. To the extent that court or legislative action is taken or a further constitutional amendment is passed amending the valuation provisions, it could have a material impact on the valuation of residential property in the District.

Section 7-36-21.3 NMSA 1978 places a limitation on the increase in value for property taxation purposes for single-family dwellings occupied by low-income owners who are sixty-five years of age or older or who are disabled. The statute fixes the valuation of the property to the valuation in the year that the owner turned 65 or became disabled. The Section 7-36-21.3 limitation does not apply:

1. To property that is being valued for the first time;
2. To a change in valuation resulting from physical improvements made to the property in the preceding year;  
and
3. To a change in valuation resulting from a change in the zoning or permitted use of the property in the preceding year.

### **Taxation of Oil and Natural Gas Production**

Unlike other property taxes, oil and gas production taxes are determined monthly based on the current month's taxable value of product multiplied by the mill levy certified by the Department of Finance and Administration. The certified mill levy is based on the preceding calendar year's taxable value of product with possible adjustment for current market conditions.

The taxable value of products which are severed and sold from each production unit is an amount equal to one hundred fifty percent (150%) of the value of the output after deducting royalties paid to the United States, the state of New Mexico or any Indian tribe, Indian pueblo or Indian. This net value is then multiplied by the standard assessment ratio (presently 33.3%) to determine the taxable value of products.

Any person engaged in the severance of an oil or gas product from a production unit must file a return on or before the twenty-fifth day of the second month after the month for which a return is required. All taxes due or to be remitted by the operator must accompany the return. Interest penalties are imposed on any overdue taxes.

### **Taxation of Oil and Natural Gas Equipment**

The taxable value of equipment of each production unit is an amount equal to twenty-seven percent (27%) of the cumulative net value of product of a production unit for the preceding calendar year. The net value of equipment so determined is then multiplied by the appropriate assessment ratio and tax rate to determine the amount of equipment taxes due. The producer is billed by the New Mexico Taxation and Revenue Department on or before October 15 of each year for payment by November 30th. Interest penalties are imposed on any overdue taxes.

## Tax Collections History

General (ad valorem) taxes for all units of government are collected by the county treasurer and distributed monthly to the various political subdivisions to which such taxes are due.

Property taxes are due in two installments. The first half installment is due on November 10 and becomes delinquent on December 10. The second half installment is due on April 10 and becomes delinquent on May 10.

Collection statistics for all political subdivisions for which the San Juan County treasurer collects taxes are presented below:

| Property Tax Collections for San Juan County |             |                      |  |                                  |   |                                  |
|--|-------------|----------------------|--|----------------------------------|---|----------------------------------|
| Tax Year                                     | Fiscal Year | Net Taxes            |  | Current                          | Current/                                  | Current/Delinquent               |
|  |             | Charged to Treasurer | Current Tax Collections <sup>(1)</sup> | Collections as a % of Net Levied | Delinquent Tax Collections <sup>(2)</sup> | Collections as a % of Net Levied |
| 2016   | 16/17       | \$79,085,825         | \$281,640                              | 0.36%                            | \$281,640                                 | 0.36%                            |
| 2015   | 15/16       | 74,765,726           | 72,269,305                             | 96.66%                           | 72,745,804                                | 97.30%                           |
| 2014   | 14/15       | 70,918,455           | 68,545,196                             | 96.65%                           | 70,052,648                                | 98.78%                           |
| 2013   | 13/14       | 73,340,564           | 70,753,818                             | 96.47%                           | 73,118,575                                | 99.70%                           |
| 2012   | 12/13       | 70,288,815           | 68,049,597                             | 96.81%                           | 70,346,674                                | 100.00%                          |
| 2011   | 11/12       | 68,889,565           | 66,897,199                             | 97.11%                           | 68,910,344                                | 100.00%                          |

(1) As of June 30 of each year, except for tax year 2016 which is as of September 2016.

(2) As of September 2016.

Source: San Juan County Treasurer's Office.

## Interest on Delinquent Taxes

Pursuant to Section 7-38-49, NMSA 1978, if property taxes are not paid for any reason within thirty (30) days after the date they are due, interest on the unpaid taxes shall accrue from the thirtieth (30th) day after they are due until the date they are paid. Interest accrues at the rate of one percent (1%) per month or any fraction of a month.

## Penalty for Delinquent Taxes

Pursuant to Section 7-38-50, NMSA 1978, if property taxes become delinquent, a penalty of one percent (1%) of the delinquent tax for each month, or any portion of a month, they remain unpaid shall be imposed, but the total penalty shall not exceed five percent (5%) of the delinquent taxes. The minimum penalty imposed is \$5.00. A county can suspend application of the minimum penalty requirement for any tax year.

If property taxes become delinquent because of an intent to defraud by the property owner, fifty percent (50%) of the property tax due or fifty dollars (\$50.00), whichever is greater, shall be added as a penalty.

## Remedies Available for Non-Payment of Taxes

Pursuant to Section 7-38-47, NMSA 1978, property taxes are the personal obligation of the person owning the property on the date on which the property was subject to valuation for property taxation purposes. A personal judgment may be rendered against the taxpayer for payment of taxes that are delinquent, together with any penalty and interest on the delinquent taxes.

Taxes on real property are a lien against the real property. Pursuant to Section 7-38-65, NMSA 1978, delinquent taxes on real property may be collected by selling the real property on which taxes are delinquent.

Pursuant to Section 7-38-53, NMSA 1978, delinquent property taxes on personal property may be collected by asserting a claim against the owner(s) of the personal property for which taxes are delinquent.

## THE DISTRICT

The District currently operates and maintains 12 schools and other facilities to provide the educational program. The district has one Pre-K School, three Elementary Schools, one Junior High and two High Schools. The District is located in northwest corner of New Mexico in San Juan County. A substantial portion of the District is within the boundaries of the Navajo Reservation. Consequently, a large portion of the students in the District are Navajo and are eligible for federal impact aid. Tribal members residing on the Navajo Reservation do not pay property taxes. Improvements on the Navajo Reservation not owned by Indians are subject to taxation by the State.

### School District Powers

Pursuant to Chapter 27, Laws 2004 passed in the 2004 legislative session, the District's powers are subject to regulations promulgated by the Secretary of the New Mexico Public Education Department ("PED") with the advice of the Public Education Commission. The Secretary of PED (the "Secretary") is responsible for control, management and direction of all public schools. The Public Education Commission is comprised of ten members, elected from public education districts for staggered four-year terms. Generally, the powers of the PED include determining policy of operations of all public schools; designating courses of instruction for all public schools in the State; adopting regulations for the administration of all public schools; determining qualifications for teachers, counselors, and their assistants; and prescribing minimum educational standards for all public schools. The PED may order the creation of new school districts or may require consolidation of school districts.

### Management

The District Board (the "Board"), subject to regulations of the Secretary, develops educational policies for the District. The Board has the following powers or duties: 1) subject to the rules of the PED, develop educational policies for the school; 2) employ a superintendent of schools and fix the superintendent's salary; 3) review and approve the annual school budget; 4) acquire, lease and dispose of property; 5) have the capacity to sue and be sued; 6) acquire property by eminent domain; 7) issue general obligation bonds of the District; 8) provide for the repair of and maintain all school property; 9) subpoena witnesses and documents in connection with a hearing concerning powers of the Board; 10) except for expenditures for salaries, contract for expenditure of money; 11) adopt rules pertaining to the administration of all powers or duties of the Board; 12) accept or reject any charitable gift, grant, devise or bequest; 13) offer and pay rewards for information leading to the arrest and conviction of offenders in case of theft, defacement or destruction of school property; and 14) give prior approval for any educational program in a public school that is to be conducted, sponsored, carried on or caused to be carried on by a private organization. Members of the Board serve without compensation for four-year terms of office in non-partisan elections held every two years on the first Tuesday in February. The current District Board Members are:

Dale Maes, President, term expires March 1, 2019.

Eric Smith, Vice President, term expires March 1, 2017.

Veronica D. Tso, Secretary, term expires March 1, 2019.

Bruce Armenta, Member, term expires March 1, 2017.

Elizabeth Gomez, Member, term expires March 1, 2017.

### Administration and Staff

The Superintendent of Schools (the "Superintendent") is selected by the Board and is under contract at the discretion of the Board. The Superintendent is the Chief Executive Officer of the District and employs, fixes salaries of, and assigns and discharges or terminates, all employees of the District. The Superintendent administers and supervises the operations of the District and, in conjunction with the Director of Finance, prepares the budget and approves

budgetary controls, purchasing and payments, subject to review of the Board. The Superintendent and Director of Finance for the District are:

Dr. Kim Mizell, Superintendent

Jodie Maestas, Director of Finance

### Insurance

The District is a member of the New Mexico State Public School Insurance Authority (the "Insurance Authority") which was established to provide a comprehensive insurance program for school districts, board members and retirees, and public school employees and retirees within the State. The Insurance Authority provides group health insurance, workman's compensation, property and casualty insurance, general automobile and fire insurance and general liability insurance for the District, its property, its board members and employees.

### Accreditation

All of the District's schools are accredited by the State of New Mexico's Public Education Department. The accreditation is by school and district.

### Student Enrollment

The District's enrollment for the current year and prior four years is as follows:

|              | 2012-13      | 2013-14      | 2014-15      | 2015-16      | 2016-17      |
|--------------|--------------|--------------|--------------|--------------|--------------|
| Elementary   | 857          | 885          | 948          | 905          | 1,395        |
| Middle       | 674          | 659          | 628          | 672          | 652          |
| High         | 1,456        | 1,428        | 1,432        | 1,443        | 910          |
| <b>Total</b> | <b>2,987</b> | <b>2,972</b> | <b>3,008</b> | <b>3,020</b> | <b>2,957</b> |

Source: *New Mexico Public Education Department.*

## FINANCES OF THE EDUCATIONAL PROGRAM

The basic format for the financial operation of the District is provided by the PED through the School Budget Planning Division which is directed by State law to supervise and control the preparation of all budgets of all school districts. The District receives revenue from a variety of local, State, and federal sources, the most important of which are described below. New Mexico's public school finance laws are subject to review and examination through the judicial process, and are subject to legislative changes as well. As a result, the District cannot anticipate with certainty all of the factors which may influence the financing of its future activities. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District.

### Sources of Revenue for General Fund

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the schools except for those items included in other funds. The sources of revenue for the District's General Fund are:

Local Revenues - Local revenues are a source of revenue to the District composed, in part, by a property tax annually levied on and against all of the taxable municipal property within the District for operational purposes. The levy is limited by State law to a rate of 50 cents for each \$1,000 of net taxable value of taxable municipal property. Other sources of local revenues include interest income earned on the District's investments, rentals and sale of property. In fiscal year 2016, the District received \$550,243 from local sources.

Federal Revenues - Another source of annual revenue for the District's General Fund is derived from indirect costs of direct federal grant funds related to vocational, special education, and various other programs and P.L. 874 federal impact moneys paid to the District in lieu of taxes on federal land located in the District. In fiscal year 2016, the District has received \$581,034 in federal revenues for its General Fund.

State Revenues - The District's largest source of annual revenue is derived from the State equalization guarantee payments described below. During fiscal year 2016, the District received \$22,509,309 from state sources. Such payments represented approximately 94.81% actual fiscal year 2016 General Fund revenues.

### State Equalization Guarantee

The State Legislature enacted New Mexico's current public school funding formula in 1974. Designed to distribute operational funds to local school districts in an objective manner, the funding formula is based upon the educational needs of individual students and costs of the programs designed to meet those needs. Program cost differentials are based upon nationwide data regarding the relative costs of various school programs, as well as data specific to New Mexico. The objectives of the formula are (1) to equalize educational opportunity statewide (by crediting certain local and federal support and then distributing state support in a objective manner) and (2) to retain local autonomy in actual use of funds by allowing funds to be used in local districts at the discretion of local policy making bodies. The formula is divided into three basic parts:

1. Educational program units that reflect the different costs of identified programs;
2. Training and experience units that attempt to provide additional funds so that districts may hire and retain better educated and more experienced instructional staff; and
3. Size adjustment units that recognize local school and community needs, economies of scale, types of students, marginal cost increases for growth in enrollment from one year to the next, and adjustments for the creation of new districts.



SEG payments are made monthly and prior to June 30 each fiscal year. The calculation of the distribution is also based on the local and federal revenues received from June 1 of the previous fiscal year through May 31 of the fiscal year for which the SEG Payment is being computed. In the event that a district receives more SEG funds than its entitlement, the district must make a refund to the State's general fund.

Even though the current public school funding formula has been in place for more than three decades, some districts have indicated a concern about the fact that some districts receive less revenue per pupil compared to others. In response to these concerns, the Legislature, the Governor, and the State Board of Education authorized an independent, comprehensive study of the formula that was conducted in 1996. In its principal finding the independent consultant concluded, ". . .When evaluated on the basis of generally accepted standards of equity, the New Mexico public school funding formula is a highly equitable formula. . . .[S]pending disparities are less than in other states and statistically insignificant."

Despite the acknowledged equity of the formula, the independent consultant pointed out a strong perception of unfairness in the so-called "density" factor and in the training and experience computations of some districts. As a result, the Legislature enacted the following changes to the funding formula:

- Required that special education students be counted with regular students with "add-on" weights assigned depending upon the severity of the disability;
- Changed weights for special education ancillary services and included diagnosticians in ancillary services computations; and
- Repealed the so-called "density" factor and replaced it with an at-risk factor that is available to all school districts.

SEG payments for the budgeted past five fiscal years are as follows:

| <b>Fiscal Year</b> | <b>Program Unit Value</b> | <b>Number of Program Units</b> | <b>SEG Payment</b> |
|--------------------|---------------------------|--------------------------------|--------------------|
| 2016-17            | \$4,040.24                | 5,393.330                      | \$21,790,348       |
| 2015-16            | 4,027.75                  | 5,437.26                       | 21,899,908         |
| 2014-15            | 4,005.75                  | 5,292.43                       | 21,200,163         |
| 2013-14            | 3,817.55                  | 5,317.33                       | 20,299,185         |
| 2012-13            | 3,668.18                  | 5,419.07                       | 19,878,106         |

*Source: New Mexico Public Education Department and the District.*

The PED receives Federal mineral-leasing funds from which it makes annual allocations to the District for purchasing text books. In 2015-16 fiscal year, the District received \$1,102,617 for textbook purchases.

The District is also reimbursed by the State for the costs of transporting pupils to and from school. These payments are based upon a formula consisting of the number of students per square mile that are transported. In 2015-16 fiscal year the District received \$214,600 for transportation purposes.

## District Budget Process

Each year, the school district budget process begins with the educational appropriations passed by the Legislature and signed into law by the Governor. The actual budget process follows specific steps set forth in the Public School Finance Act:

- Before April 15 of each year, the District must submit an estimated budget for the next school year to PED. If the District fails to submit a budget, PED must prepare a District budget for the ensuing year.
- Before July 12 of each year, the District Board must hold a public hearing to fix the estimated budget for the next school year.
- On or before July 1 of each year, PED must approve and certify an approved operating budget for use by the District board.

No school board, officer or employee of a school district may make an expenditure or incur any obligation for the expenditure of public funds unless that expenditure is made in accordance with an operating budget approved by PED. This requirement, however, does not prohibit the transfer of funds between line items within a series of a budget. Final budgets may not be altered or amended after approval by PED except upon the District's request to PED. An instance in which such requests will be approved include a change within the budget that does not increase the total amount of the budget. Additional budget items may also be approved if the District is to receive unanticipated revenues. Finally, if it becomes necessary to increase the District's budget by more than \$1,000 for any reason other than those listed above, PED may order a special public hearing to consider the requested increase.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Debt Service Fund with appropriations lapsing at year end. Total expenditures of any function category may not exceed categorical appropriations.

To conform to PED's requirements, budgets for all funds of the District are adopted on the cash basis of accounting except for state instructional material credit. State instructional material funds provide for free textbooks from PED. As a result, budgets are not prepared in conformity with generally accepted accounting principles (GAAP), and budgetary comparisons are presented on the (Non-GAAP) basis of accounting.

## Balance Sheet – General Fund Only

The following is a history of the District's General Fund Balance Sheet. The General Fund includes Operational, Transportation and Instructional Materials. See financial statements for the fiscal year ending June 30, 2016 attached as Appendix B. The complete audit report for the fiscal year ending June 30, 2016 and the last four years can be downloaded from the State Auditor's website using the following link [http://www.saonm.org/audit\\_reports](http://www.saonm.org/audit_reports).

| BALANCE SHEET - GENERAL FUND                               |                            |                            |                            |                            |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|  | <u>06/30/12</u>            | <u>06/30/13</u>            | <u>06/30/14</u>            | <u>06/30/15</u>            | <u>06/30/16</u>            |
| <b>ASSETS:</b>   |                            |                            |                            |                            |                            |
| Pooled cash and investments                                | \$ 2,179,989               | \$ 2,174,510               | \$ 1,758,725               | \$ 2,710,141               | \$ 3,739,285               |
| Property Taxes   | 18,097                     | 19,324                     | 25,155                     | 17,878                     | 9,197                      |
| Due from other governments                                 | 15,370                     | 12,608                     | 16,878                     | 3,055                      | 20,824                     |
| Due from other funds                                       | 247,500                    | 763,632                    | 1,045,647                  | 888,016                    | 982,399                    |
| Athletic/Food inventory                                    | -                          | 207,806                    | 176,490                    | 105,905                    | 267,931                    |
| Accounts receivable other                                  | -                          | -                          | -                          | 82,612                     | 23,253                     |
| <b>Total Assets</b>  | <b><u>\$ 2,460,956</u></b> | <b><u>\$ 3,177,880</u></b> | <b><u>\$ 3,022,895</u></b> | <b><u>\$ 3,807,607</u></b> | <b><u>\$ 5,042,889</u></b> |
| <b>Liabilities and Fund Balances</b>                       |                            |                            |                            |                            |                            |
| Accounts Payable   | \$ 51,049                  | \$ 157,042                 | \$ 138,286                 | \$ 56,329                  | \$ 140,619                 |
| Accrued Payroll  | \$ 21,813                  | \$ 17,186                  | \$ 28,971                  | \$ 731,764                 | \$ 722,473                 |
| <b>Total Liabilities</b>                                   | <b>\$ 72,862</b>           | <b>\$ 174,228</b>          | <b>\$ 167,257</b>          | <b>\$ 788,093</b>          | <b>\$ 863,092</b>          |
| <b>Deferred inflows of resources</b>                       | <b>-</b>                   | <b>-</b>                   | <b>-</b>                   | <b>-</b>                   | <b>\$ 7,072</b>            |
| Delinquent property taxes                                  | \$ 6,076                   | \$ 6,137                   | \$ 5,038                   | \$ 6,392                   | \$ -                       |
| <b>Total liabilities and deferred inflows of resources</b> | <b>\$ 78,938</b>           | <b>\$ 180,365</b>          | <b>\$ 172,292</b>          | <b>-</b>                   | <b>\$ 7,072</b>            |
| <b>Fund balances:</b>                                      |                            |                            |                            |                            |                            |
| Nonspendable   | -                          | \$ 207,806                 | \$ 176,490                 | \$ 105,905                 | \$ 267,931                 |
| Restricted for:  |                            |                            |                            |                            |                            |
| Assigned   | -                          | -                          | -                          | -                          | 2,789,219                  |
| Unassigned   | <u>2,382,018</u>           | <u>2,789,709</u>           | <u>2,674,113</u>           | <u>2,907,217</u>           | <u>1,115,575</u>           |
| <b>Total Fund balances</b>                                 | <b>\$ 2,382,018</b>        | <b>\$ 2,997,515</b>        | <b>\$ 2,850,603</b>        | <b>\$ 3,013,122</b>        | <b>\$ 4,172,725</b>        |
| <b>Total Liabilities and fund balances</b>                 | <b><u>\$ 2,460,956</u></b> | <b><u>\$ 3,177,880</u></b> | <b><u>\$ 3,022,895</u></b> | <b><u>\$ 3,807,607</u></b> | <b><u>\$ 5,042,889</u></b> |

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete. A portion of the independent audit report for year ended June 30, 2016 is attached in Appendix B.

Statement of Revenues, Expenditures & Changes in Fund Balances – General Fund Only

The following is a history of the District's General Fund Statement of Statement of Revenues, Expenditures & Changes in Fund Balances. The General Fund includes Operational, Transportation and Instructional Materials. See financial statements for the fiscal year ending June 30, 2016 attached as Appendix B. The complete audit report for the fiscal year ending June 30, 2016 and the last four years can be downloaded from the State Auditor's website using the following link [http://www.saonm.org/audit\\_reports](http://www.saonm.org/audit_reports).

| STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES - GENERAL FUND <sup>(1)</sup> |                           |                           |                         |                           |                           |
|--|---------------------------|---------------------------|-------------------------|---------------------------|---------------------------|
|  | <u>06/30/12</u>           | <u>06/30/13</u>           | <u>06/30/14</u>         | <u>06/30/15</u>           | <u>06/30/16</u>           |
| <b>Revenues:</b>   |                           |                           |                         |                           |                           |
| <b>Federal Sources</b>   |                           |                           |                         |                           |                           |
| Public Law 874   | \$527,716                 | \$564,656                 | \$378,165               | -                         | -                         |
| Department of Defense  | 50,398                    | 57,794                    | 57,206                  | -                         | -                         |
| Federal flow through grants  | 48,386                    | 47,535                    | 66,444                  | -                         | -                         |
| Federal direct grants  | 107,901                   | 10,628                    | 69,113                  | 661,652                   | 651,077                   |
| <b>State Sources</b>   |                           |                           |                         |                           |                           |
| State equalization guarantee   | \$19,694,315              | \$19,631,458              | \$19,893,784            | -                         | -                         |
| Transportation   | 1,139,377                 | 1,177,612                 | 1,236,669               | -                         | -                         |
| State instructional material   | 127,962                   | 196,684                   | 203,217                 | -                         | -                         |
| State grant  | 26,916                    | 169,516                   | 4,727                   | 21,763,494                | 22,509,309                |
| <b>Local sources</b>   |                           |                           |                         |                           |                           |
| Grant  | \$3,814                   | \$8,821                   | -                       | -                         | -                         |
| District school tax levy   | 411,212                   | 360,199                   | 388,765                 | 358,633                   | 323,900                   |
| Fees and activities  | 29,258                    | 33,033                    | 91,383                  | -                         | -                         |
| Charges for services   | -                         | -                         | -                       | 210,231                   | 190,658                   |
| Earning from investments   | 4,334                     | 2,547                     | 1,921                   | 84,571                    | 3,859                     |
| Miscellaneous  | 11,223                    | 11,976                    | 12,191                  | 2,109                     | 62,617                    |
| <b>Total Revenues</b>  | <b>\$22,182,812</b>       | <b>\$22,272,459</b>       | <b>22,403,585</b>       | <b>\$23,080,690</b>       | <b>\$23,741,420</b>       |
| <b>Expenditures:</b>   |                           |                           |                         |                           |                           |
| Instruction  | \$12,602,026              | \$12,566,135              | \$12,850,112            | \$12,875,655              | \$13,061,419              |
| Students   | 1,571,452                 | 1,609,414                 | 1,586,710               | 1,777,882                 | 1,638,731                 |
| Instruction  | 422,478                   | 408,210                   | 446,499                 | 488,226                   | 500,159                   |
| General Administration   | 638,616                   | 764,557                   | 708,546                 | 784,880                   | 819,711                   |
| School Administration  | 1,848,421                 | 1,900,182                 | 1,863,100               | 1,946,210                 | 1,961,012                 |
| Central Services   | 557,613                   | 618,209                   | 760,457                 | 677,490                   | 737,426                   |
| Operation of Plant   | 2,551,304                 | 2,606,437                 | 3,009,127               | 2,923,608                 | 3,054,861                 |
| Student Transportation   | 1,190,773                 | 1,139,933                 | 1,278,984               | 974,293                   | 1,105,506                 |
| Other  | 38,702                    | 43,929                    | 43,597                  | 46,669                    | 2,766                     |
| <b>Total Expenditures</b>  | <b>\$21,421,385</b>       | <b>\$21,657,006</b>       | <b>\$22,547,132</b>     | <b>\$22,494,913</b>       | <b>\$22,881,591</b>       |
| Excess (deficiency) of revenues<br>over expenditures   | 761,427                   | 615,453                   | (143,547)               | 585,777                   | 859,829                   |
| Transfers in   | 777                       | 44                        | -                       | -                         | (1,723)                   |
| Refunds  | (20,554)                  | -                         | (3,395)                 | -                         | -                         |
| Net changes in fund balances   | 741,650                   | 615,497                   | (146,912)               | 464,016                   | 858,106                   |
| <b>Fund Balance, beginning of year</b>   | <b>1,640,368</b>          | <b>2,382,018</b>          | <b>2,997,515</b>        | <b>2,850,603</b>          | <b>3,314,619</b>          |
| <b>Fund Balance, end of year</b>   | <b><u>\$2,382,018</u></b> | <b><u>\$2,997,515</u></b> | <b><u>2,994,120</u></b> | <b><u>\$3,314,619</u></b> | <b><u>\$4,172,725</u></b> |
| <b>GF Balance as % of Revenues</b>   | <b>10.7%</b>              | <b>13.5%</b>              | <b>13.4%</b>            | <b>14.4%</b>              | <b>17.6%</b>              |

(1) General Fund includes Operational, Transportation and Instructional Materials.

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete. Portions of the independent audit report for FY2016 are attached in Appendix B.

## Statement of Net Position – Governmental Activities

The following is a history of the District's Statement of Activities. See financial statements for the fiscal year ending June 30, 2016 attached as Appendix B. The complete audit report for the fiscal year ending June 30, 2016 and the last four years can be downloaded from the State Auditor's website using the following link [http://www.saonm.org/audit\\_reports](http://www.saonm.org/audit_reports).

| STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES                      |                     |                     |                     |                      |                      |
|--|---------------------|---------------------|---------------------|----------------------|----------------------|
|  | 06/30/12            | 06/30/13            | 06/30/14            | 06/30/15             | 06/30/16             |
| <b>Assets</b>  |                     |                     |                     |                      |                      |
| <b>Current Assets</b>  |                     |                     |                     |                      |                      |
| Cash and Cash Equivalents  | \$11,673,905        | \$11,815,332        | \$12,217,750        | \$14,130,051         | \$7,178,850          |
| Receivables (net allowance for uncollectable)                            | -                   | -                   | -                   | 1,521,139            | 1,504,448            |
| Taxes Receivable   | 328,731             | 404,295             | 623,194             | -                    | -                    |
| Grant  | 680,495             | 798,299             | 1,365,696           | -                    | -                    |
| Other receivable   | 483                 | 236                 | 246                 | -                    | -                    |
| Due from other governments   | 275,235             | 240,506             | 400,996             | -                    | -                    |
| USDA Inventory   | 81,659              | 34,930              | 27,627              | -                    | -                    |
| Inventory (Instructional/Athletic/Food)                                  | 38,786              | 249,275             | 210,315             | 191,714              | 299,064              |
| <b>Total Current Assets</b>  | <b>\$13,079,294</b> | <b>\$13,542,873</b> | <b>\$14,845,824</b> | <b>\$15,842,904</b>  | <b>\$8,982,362</b>   |
| <b>Non current assets</b>  |                     |                     |                     |                      |                      |
| Restricted cash  | -                   | -                   | 100,000             | 200,000              | -                    |
| Land and land improvements   | -                   | -                   | -                   | 8,880,300            | 8,880,300            |
| Building and building improvements                                       | -                   | -                   | -                   | 132,283,414          | 132,283,414          |
| Furniture, fixtures and equipment  | -                   | -                   | -                   | 8,599,818            | 8,591,140            |
| Non-depreciable assets   | 4,211,862           | 4,164,172           | 4,164,172           | -                    | -                    |
| Depreciable capital assets, net  | 77,374,073          | 74,250,191          | 71,380,401          | (77,864,761)         | (81,431,309)         |
| <b>Total Noncurrent assets</b>   | <b>81,585,935</b>   | <b>78,414,363</b>   | <b>75,644,573</b>   | <b>72,098,771</b>    | <b>75,140,449</b>    |
| <b>Total Assets</b>  | <b>\$94,665,229</b> | <b>\$91,957,236</b> | <b>\$90,490,397</b> | <b>\$87,941,675</b>  | <b>\$84,122,811</b>  |
| <b>Deferred Outflow of Resources</b>                                     |                     |                     |                     |                      |                      |
| Subsequent employer contribution and change in proportion-pension        | -                   | -                   | -                   | \$2,500,296          | \$3,702,595          |
| Bond issuance cost   | 756,936.00          | -                   | 1.00                | -                    | -                    |
| <b>Total deferred outflow of resources</b>                               | <b>756,936.00</b>   | <b>-</b>            | <b>-</b>            | <b>2,500,296.00</b>  | <b>3,702,595.00</b>  |
| <b>Total Assets and Deferred Outflows of Resources</b>                   | <b>\$95,422,165</b> | <b>\$91,957,236</b> | <b>\$90,490,398</b> | <b>\$90,441,971</b>  | <b>\$87,825,406</b>  |
| <b>Liabilities</b>   |                     |                     |                     |                      |                      |
| Accounts payable   | \$64,967            | \$208,140           | \$291,782           | \$395,846            | \$478,723            |
| Accrued salaries   | 45,617              | 47,063              | 38,361              | 748,423              | 742,702              |
| Accrued interest   | 887,958             | 720,535             | 818,307             | 355,655              | 649,817              |
| Compensated Absences   | 262,478             | 271,603             | 283,585             | 246,253              | 238,850              |
| Bonds payable  | -                   | -                   | -                   | 4,190,000            | 4,805,000            |
| Due within one year  | 3,190,000           | 3,115,000           | 3,640,000           | -                    | -                    |
| Due in more than one year  | 63,133,222          | 59,776,634          | 55,895,045          | -                    | -                    |
| <i>Bond premiums, net of amortization of \$1,387,437</i>                 | -                   | -                   | -                   | 2,337,479            | 2,009,221            |
| Bond payable   | -                   | -                   | -                   | 49,520,000           | 44,715,000           |
| Compensated absences   | -                   | -                   | -                   | -                    | 43,126               |
| Net pension liability  | -                   | -                   | -                   | 32,928,905           | 36,911,997           |
| <b>Total Liabilities</b>   | <b>67,584,242</b>   | <b>64,138,975</b>   | <b>60,967,080</b>   | <b>90,722,561</b>    | <b>90,594,436</b>    |
| <b>Deferred Inflow of Resources</b>                                      |                     |                     |                     |                      |                      |
| Deferred inflows Related to Pensions                                     | -                   | -                   | -                   | 3,483,900            | 1,203,971            |
| <b>Net Position</b>  |                     |                     |                     |                      |                      |
| Invested in capital assets, net of related debts                         | \$15,247,725        | \$14,957,616        | \$15,346,799        | \$15,851,292         | \$16,794,324         |
| Restricted for:  |                     |                     |                     |                      |                      |
| Inventories  | 120,445             | 284,205             | 237,942             | -                    | -                    |
| Special revenue funds  | 988,037             | 1,016,843           | 1,042,714           | 903,190              | 759,980              |
| Capital projects   | 4,008,721           | 4,101,797           | 3,702,755           | 3,536,389            | 2,526,114            |
| Debt service   | 5,353,455           | 4,939,694           | 6,802,578           | 7,134,409            | 7,098,120            |
| Unrestricted   | 2,119,540           | 2,518,106           | 2,390,528           | (31,189,770)         | (31,151,539)         |
| <b>Total Net Position</b>  | <b>\$27,837,923</b> | <b>\$27,818,261</b> | <b>\$29,523,316</b> | <b>(\$3,764,490)</b> | <b>(\$3,973,001)</b> |
| <b>Total Liabilities, Deferred Inflows of Resources and Net Position</b> | <b>\$95,422,165</b> | <b>\$91,957,236</b> | <b>\$90,490,396</b> | <b>\$90,441,971</b>  | <b>\$87,825,406</b>  |

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete. A portion of the independent audit report for year ended June 30, 2016 is attached in Appendix B.

## Statement of Activities – Governmental Activities

The following is a history of the District's Statement of Activities. See financial statements for the fiscal year ending June 30, 2016 attached as Appendix B. The complete audit report for the fiscal year ending June 30, 2016 and the last four years can be downloaded from the State Auditor's website using the following link [http://www.saonm.org/audit\\_reports](http://www.saonm.org/audit_reports).

| STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES |                     |                       |                       |                             |                       |
|---|---------------------|-----------------------|-----------------------|-----------------------------|-----------------------|
|   | <u>06/30/12</u>     | <u>06/30/13</u>       | <u>06/30/14</u>       | <u>06/30/15</u>             | <u>06/30/16</u>       |
| <i>Instruction:</i>                               |                     |                       |                       |                             |                       |
| Direct Instruction                                |                     |                       |                       |                             |                       |
| Total Instruction                                 | (\$14,228,646)      | (\$14,010,205)        | (\$14,404,867)        | (\$13,686,070)              | (\$14,124,614)        |
| <i>Support services:</i>                          |                     |                       |                       |                             |                       |
| Support services - student                        | (\$2,350,928)       | (\$2,215,342)         | (\$2,246,522)         | (\$2,774,645)               | (\$2,638,068)         |
| Support services - instruction                    | (\$462,439)         | (\$454,933)           | (\$497,729)           | (\$607,861)                 | (\$628,827)           |
| Support services general administration           | (772,229)           | (822,104)             | (\$791,368)           | (\$1,043,094)               | (1,156,013)           |
| Support services - school administration          | (2,089,516)         | (2,093,694)           | (1,936,475)           | (2,456,694)                 | (2,607,565)           |
| Central services                                  | (571,967)           | (631,551)             | (724,741)             | (916,735)                   | (978,608)             |
| Operation and maintenance of plant                | (4,417,734)         | (3,932,701)           | (4,543,467)           | (3,013,476)                 | (3,334,647)           |
| Student transportation                            | (244,144)           | (117,394)             | (228,139)             | (33,107)                    | (30,251)              |
| Other support services                            | (39,543)            | (43,717)              | (40,663)              | (46,669)                    | (2,766)               |
| Food services operation                           | (191,115)           | (352,518)             | (105,296)             | (310,316)                   | (247,518)             |
| Community Service Operations                      | (8,235)             | (10,758)              | (13,502)              | (1,259)                     | (2,198)               |
| Facility materials, supplies & other services     | -                   | -                     | -                     | (1,147,151)                 | (2,469,472)           |
| Interest and other charges                        | (2,454,085)         | (2,250,999)           | (2,720,882)           | (2,466,161)                 | (1,732,510)           |
| Total governmental activities                     | <u>(27,830,581)</u> | <u>(\$26,935,916)</u> | <u>(\$28,253,651)</u> | <u>(\$28,503,238)</u>       | <u>(\$29,953,057)</u> |
| <i>Revenues:</i>                                  |                     |                       |                       |                             |                       |
| <i>Taxes</i>                                      |                     |                       |                       |                             |                       |
| Property Taxes, Levied for General Purposes       | 410,965             | 360,261               | 387,668               | 359,987                     | 324,580               |
| Debt Service                                      | 5,368,809           | 5,255,230             | 7,352,452             | 5,925,314                   | 5,924,791             |
| Capital Projects                                  | 1,730,712           | 1,546,412             | 1,688,827             | 1,569,004                   | 1,431,021             |
| Grants and contributions not restricted           | 20,509,471          | 20,508,478            | 20,526,966            | 20,421,462                  | 21,107,345            |
| Unrestricted Federal grants                       | -                   | -                     | -                     | 833,718                     | 798,288               |
| Unrestricted investment earning                   | 4,763               | 2,809                 | 2,796                 | 7,024                       | 11,205                |
| Gain on disposal of fixed assets                  | -                   | -                     | -                     | -                           | 18,256                |
| Loss on disposal of fixed assets                  | -                   | -                     | -                     | (173,544)                   | -                     |
| Reversion to state                                | -                   | -                     | -                     | (26,069)                    | (1,723)               |
| Miscellaneous                                     | -                   | -                     | -                     | 83,081                      | 130,783               |
| Subtotal, general revenues                        | <u>28,024,720</u>   | <u>27,673,190</u>     | <u>29,958,706</u>     | <u>28,999,977</u>           | <u>29,744,546</u>     |
| Changes in Net Position                           | 194,139             | 737,274               | 1,705,055             | 496,739                     | (208,511)             |
| Net Position - Beginning                          | 27,643,784          | 27,837,923            | 27,818,261            | 29,523,316                  | (3,764,490)           |
| Restatement                                       | -                   | (756,936)             | -                     | (33,784,545) <sup>(1)</sup> | -                     |
| Restated Beginning Net Position                   | -                   | 27,080,987            | 27,818,261            | (4,261,229)                 | (3,764,490)           |
| Net Positions - Ending                            | <u>\$27,837,923</u> | <u>\$27,818,261</u>   | <u>\$29,523,316</u>   | <u>-\$3,764,490</u>         | <u>-\$3,973,001</u>   |

Source: The figures above have been extracted from the District's audited financial statements. Such figures are excerpts only and do not purport to be complete.

A portion of the independent audit report for year ended June 30, 2016 is attached in Appendix B.

(1) As a result of the implementation of GASB Statement No. 68, an adjustment has been made to record the District's proportionate share of the Net Pension Liability.

## Funds Maintained by the School District

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

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

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

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

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

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

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

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

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

The *IDEA-B Entitlement Special Revenue Fund* (24106) accounts for a program funded by a federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611- 620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

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

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

## Employees and Retirement Plan

The District employs 442 permanent employees of which 24 are administrators, 219 are teachers and other professional instructional personnel, 64 are instructional assistants, and 135 are support and administrative staff.

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

*Benefits Provided:* A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows:

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

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

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

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

Following is a partial history of employer and employee contributions statewide and average asset balance of the retirement fund.



| <b>Fiscal Year<br/>Ending June 30</b> | <b>Employer<br/>Contributions</b> | <b>Employee<br/>Contributions</b> | <b>Average Asset<br/>Balance</b> |
|---------------------------------------|-----------------------------------|-----------------------------------|----------------------------------|
| 2011                                  | \$308,367,952                     | \$247,407,988                     | \$9,642,229,673                  |
| 2012                                  | 253,845,277                       | 289,852,094                       | 9,606,304,017                    |
| 2013                                  | 299,657,530                       | 248,785,187                       | 10,358,058,861                   |
| 2014                                  | 362,462,537                       | 268,693,991                       | 11,442,171,449                   |
| 2015                                  | 395,129,621                       | 294,560,840                       | 11,642,543,051                   |

Source: State of New Mexico Educational Retirement Board.

### Funding Policy

#### **Contributions:**

The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2015 and 2014 employers contributed 13.90% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$2,264,508 for the year ended June 30, 2016.

#### **Net Pension Liability:**

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District reported a liability of \$36,911,997 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015.

The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, District's proportion was 0.56987%, which was a decrease of 0.00725% from its proportion measured as June 30, 2014. For the year ended June 30, 2016, the District recognized pension expense of \$2,774,902.

### Post-Employment Benefits

The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple employer defined benefit post-employment 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 RHCA Board is responsible for establishing and amending benefit provisions of the healthcare plan is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post-employment health care plan. That report and further information can be obtained by writing to RHCA, 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

### Funding Policy

The Retiree Health Care Act (Section 10-7C-13, NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for health care 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 premiums to cover their claims and the administrative expenses of plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board. The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required The Retiree Health Care Act.

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

The District's contributions to the RHCA for the years ended June 30, 2016, 2015, and 2014 were \$323,326, \$321,796, and \$318,315, respectively, which equal the required contributions for each year.

## TAX EXEMPTION

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, under existing law and assuming continuous compliance with certain covenants made by the District, the interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations. Bond Counsel is further of the opinion that, under existing law, interest on the Bonds is excluded from net income for purposes of the tax imposed on individuals, estates and trusts under the New Mexico Income Tax Act or for purposes of the tax imposed on corporations under the New Mexico Corporate Income and Franchise Tax Act. Bond Counsel will express no opinion regarding other federal or New Mexico income tax consequences resulting from the receipt or accrual of interest on the Bonds. A form of Bond Counsel Opinion is attached to this document as Appendix D.

The opinion on federal tax matters will be based on and will assume continuous compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel has not and will not independently verify the accuracy of any of the certifications and representations made by the District.

The Code prescribes a number of qualifications that must be met and conditions that must be satisfied in order for the interest on state and local government obligations such as the Bonds to be and remain excluded from gross income for federal income tax purposes. Some of these provisions, including provisions for the rebate by the issuer of certain investment earnings to the federal government, require future or continued compliance after issuance of the obligations in order for the interest to be and continue to be so excluded from the date of issuance. Noncompliance with these requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes and thus to be subject to regular federal income taxes. The District covenants in the Bond Resolution to take all actions that may be required of it in order for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

Code provisions applicable to corporations (as defined for federal income tax purposes) that impose an alternative minimum tax on a portion of the excess of adjusted current earnings over other alternative minimum taxable income, may subject a portion of the interest of the Bonds earned by corporations to the corporate tax imposed on certain corporations, a branch profits tax imposed on certain foreign corporations doing business in the United States, and a tax imposed on excess net passive income of certain S corporations.

Under the Code, the exclusion of interest from gross income for federal income tax purposes can result in certain adverse federal income tax consequences on items of income or deductions for certain taxpayers, including among them financial institutions, insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax exempt obligations. The applicability and extent of those or other tax consequences will depend upon the particular tax status or other items of income and expense of the owners of the Bonds. Bond Counsel expresses no opinion regarding such consequences.

### Internal Revenue Service Audit Program

The Internal Revenue Service (the "Service") has an ongoing program auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service will treat the District as the taxpayer and the Bond owners may have no right to participate in such procedure.

None of the District, the Financial Advisor, or Bond Counsel is obligated to defend the tax-exempt status of the Bonds. However, the District has covenanted in the Bond Resolution not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income, except to the extent described above, for the owners thereof for federal income tax purposes. None of the District, the Financial Advisor, or Bond Counsel is responsible to pay or reimburse the costs of any Bond, owner with respect to any audit or litigation relating to the Bonds.

## **Original Issue Discount**

The Bonds maturing on September 1, 2030 were offered at a discount ("original issue discount") equal generally to the difference between public offering price and principal amount. For federal income tax purposes, original issue discount on a Bond accrues periodically over the term of the Bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holders' tax basis in the Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Holders of Bonds offered at original issue discount should consult their tax advisor for an explanation of the accrual rules.

## **Original Issue Premium**

The Bonds maturing on September 1 in the years 2023 through 2028, inclusive, were offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Bond through reductions in the holders' tax basis in the Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Bond rather than creating a deductible expense or loss. Holders of Bonds offered at an original issue premium should consult their tax advisor for an explanation of the amortization rules.

## **VERIFICATION OF ARITHMETICAL COMPUTATIONS**

With respect to an escrow to be established to pay the bonds being refunded by the Series 2017 Bonds, the arithmetical accuracy of certain computations included in the schedules provided by RBC Capital Markets, LLC on behalf of the District regarding computation of the sufficiency of the anticipated receipts from the Federal Securities, together with the initial cash deposit, if any, to pay, when due, the principal, interest and early redemption premium requirements, if any, of the Refunded Bonds, are examined by Causey, Demgen & Moore. Such computations were completed using certain assumptions and information provided by RBC Capital Markets, LLC on behalf of the District. Causey, Demgen & Moore has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome. The report will be relied upon by Bond Counsel in rendering its opinion with respect to the tax exemption of interest on the Bonds and with respect to the defeasance of the Refunded Bonds.

## **LITIGATION**

There is no litigation pending or threatened in connection with the validity of the Bonds or the use of Bond proceeds, or the corporate existence of the District or the titles of the District's officers or contesting or affecting the District's ability to receive taxes that could be used for Bond payments.

At the time of the original delivery of the Bonds, the District will deliver a no-litigation certificate to the effect that no litigation or administrative action or proceeding is pending or, to the knowledge of the appropriate officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the effectiveness of the Bond Resolution, the levying or collection of taxes to pay the principal of and interest on the Bonds except as described below or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds.

## **RECENT EVENTS**

Recently two lawsuits were filed challenging the funding of the State's primary and secondary education system. In March 2014, individual plaintiffs in New Mexico District Court in McKinley County brought suit against the State, among others, alleging, among other things, that the State's educational funding formula violates the sufficiency of education and uniform system of public schools provision of the New Mexico Constitution and asks the court for injunctive relief ordering the State to develop a budget and funding formula that sufficiently, uniformly and equitably funds the public school system. In April 2014, individual plaintiffs in New Mexico District Court in Santa Fe County brought suit against the State, among others, alleging, among other things, that the State has failed to provide a sufficient and uniform system of education in violation of the sufficiency, uniformity, equal protection and due process provisions of the New Mexico Constitution because of an inadequate and arbitrary funding system. The lawsuits ask

for a declaratory judgment and injunctive relief requiring the adoption of a school finance system to remedy these violations. Neither lawsuit asks for a specific award of damages. Because the allegations of violations have not been fully litigated or proven, the State believes it is premature to assess what effect, if any, these lawsuits might have on State budget matters.

The New Mexico State Legislature met in special session in October, 2016, to address the statewide budget deficit. The state equalization guarantee for public schools support was reduced by \$37,800,000. The effect of that reduction was to reduce the District's 2016-2017 state equalization guarantee appropriation by \$327,044. The New Mexico State Legislature additionally reduced appropriations to both the Transportation Fund and the Instructional Material Fund. The effect of that reduction was to reduce District's 2016-2017 transportation appropriation by \$144,245, and the instructional material appropriation by \$29,735. The total reduction to District's 2016-2017 operational budget was \$501,024.

## **RATINGS**

Moody's Investors Service has rated the Bonds "A1 Underlying/Aa2 Enhanced". An explanation of the significance of the rating given by Moody's Investors Service may be obtained from Moody's Investors Service, Inc. at 99 Church Street, New York, New York 10007. There is no assurance that such ratings will be obtained or will continue for any given period of time after received or that such ratings will be revised downward or withdrawn entirely by the rating agency, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an effect on the market price of the Bonds.

## **UNDERWRITING**

Stifel, Nicolaus & Company, Incorporated, Robert W. Baird & Co. Incorporated, and Piper Jaffray & Co. (collectively, the "Underwriters") have agreed, subject to certain conditions, to purchase the Series 2017 Bonds from the District pursuant to a Bond Purchase Agreement for the Bonds, dated January 20, 2017 at a price of \$11,631,978.05 (representing the par amount of the Bonds of \$10,895,000, plus a net reoffering premium of \$785,012.05, and less an Underwriters' discount of \$48,034.00). The foregoing Bond Purchase Agreement provides that the Underwriters will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel and certain other conditions.

Piper Jaffray & Co., an underwriter of the Bonds, has entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings including the Bonds, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from Piper at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

## **THE FINANCIAL ADVISOR**

The Issuer has retained RBC Capital Markets, LLC as financial advisor (the "Financial Advisor") in connection with the preparation, authorization and issuance of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The fee of the Financial Advisor for services with respect to the Bonds is contingent upon the issuance and sale of the Bonds.

## **REGISTRATION AND QUALIFICATION OF SERIES 2017 BONDS FOR SALE**

The sale of the Series 2017 Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Series 2017 Bonds have not been qualified under the securities acts of the State of New Mexico in reliance upon various exemptions contained therein; nor have the Series 2017 Bonds been qualified under the securities acts of any jurisdiction. The District assumes no responsibility for qualification of the Series 2017 Bonds under the securities laws of any jurisdiction in which the

Series 2017 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Series 2017 Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

## LEGAL MATTERS

The opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel, approving the legality of the Bonds and relating to the tax-exempt status of the Bonds will be furnished to the Underwriters. The written approval of the New Mexico Department of Finance and Administration will be supplied. A draft of the opinion of Bond Counsel is attached hereto as Appendix D.

## CONTINUING DISCLOSURE UNDERTAKING

For the benefit of bondholders and to enable a broker, dealer or municipal securities dealer to comply with requirements of Rule 15c2-12 (the "Rule") of the United States Securities and Exchange Commission, the District has undertaken to provide to the Municipal Securities Rulemaking Board's (the "MSRB") Electronic Municipal Market Access ("EMMA") system, its audited financial statements and certain financial and operating information. Pursuant to the Form of Continuing Disclosure Undertaking attached hereto as Appendix E, the District will provide financial information and operating data with respect to the District of the general type included in this Official Statement under the headings "DEBT AND OTHER FINANCIAL OBLIGATIONS," "TAX BASE," "THE DISTRICT"- "Student Enrollment," and "FINANCES OF THE EDUCATIONAL PROGRAM" – "State Equalization Guarantee", "Statement of Net Position - Governmental Activities", "Statement of Activities - Governmental Activities", "Balance Sheet – General Fund Only", "Statement of Revenues, Expenditures & Changes in Fund Balances – General Fund Only." The District will update and provide this information no later than March 31 of each year, commencing March 31, 2017. A draft of the Continuing Disclosure Undertaking is attached hereto as Appendix E.

Any or all of such information may be incorporated by reference from other documents, as permitted by the Rule. The annual information will include audited financial statements, if the District commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the District will provide unaudited financial statements and audited financial statements when and if audited financial statements become available. Any such financial statements will be prepared in accordance with generally accepted accounting principles and state law requirements, as in effect from time to time. (See Note 1 of the District's audited financial statements included as Appendix B for a description of the accounting principles currently followed in the preparation of the District's audited annual financial statements.)

If the District changes its fiscal year, it may change the date by which it must provide its annual financial information to a date no later than six months after the end of its new fiscal year. In addition, the District shall provide to EMMA timely notice of any failure to provide required annual financial information on or before the filing date.

### Event Notices

The District shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds: 1) principal and interest payment delinquency; 2) non-payment related default, if material; 3) unscheduled draw on debt service reserves reflecting financial difficulties; 4) unscheduled draw on credit enhancements reflecting financial difficulties; 5) substitution of credit or liquidity provider, or their failure to perform; 6) adverse tax opinion, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notice or determination with respect to the tax status of the security, or other material events affecting the tax status of the security; 7) modification to rights of security holders, if material; 8) bond calls if material; 9) defeasances; 10) release, substitution or sale of property securing repayment of the security, if material; 11) rating changes; 12) failure to provide event filing information as required; 13) tender offers; 14) the consummation of a merger, consolidation or acquisition involving the District or the sale of all or substantially all assets of the District; 15) bankruptcy, insolvency, receivership or similar event with respect to the District or an obligated person; and 16) appointment of a successor or additional trustee, or the change of name of a trustee, if material.

In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

### **Limitations and Amendments**

The District may amend its undertaking from time to time without consent of the Bondholders, if the District delivers to EMMA an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect hereto, will not adversely affect compliance of the undertaking and the District with the Rule (except that no opinion of counsel shall be required with respect to a change in the date by which the annual financial and operating information must be reported resulting from a change in the District's fiscal year). The undertaking will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. In addition, the undertaking, or any provision thereof, will be null and void in the event the District delivers to EMMA an opinion of nationally recognized bond counsel to the effect that those portions of the Rule that require the undertaking, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds.

Any failure of the District to provide the annual financial information or any material event notice does not constitute an Event of Default with respect to the Bonds, and an action seeking to compel performance of the undertaking shall be the sole remedy in the event the District fails to comply with the undertaking.

### **Compliance With Prior Undertakings**

The District has discovered certain instances of noncompliance with its previous continuing disclosure undertakings in the past 5 years. The District inadvertently omitted certain tables required to be filed when it otherwise timely filed annual financial information for fiscal years 2011-2013 and 2015 in connection with the District's General Obligation School Building and Refunding Bonds, Series 2006, its General Obligation School Building and Refunding Bonds, Series 2009, and its General Obligation School Building Bonds, Series 2010. Additionally in each of the past five years, the District inadvertently omitted the CUSIPs associated with its General Obligation Refunding Bonds, Series 2005A, and its General Obligation School Building Bonds, Series 2005B, from its otherwise timely filed annual financial information (including audited financial statements).

## **ADDITIONAL MATTERS**

All summaries of the statutes, resolutions, opinions, contracts, agreements, financial and statistical data and other related reports described in this Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at the offices of the District located at the School Administration Office, or at the offices of RBC Capital Markets, LLC, 6301 Uptown Boulevard, NE, Suite 110, Albuquerque, New Mexico 87110.

## **FORWARD LOOKING STATEMENTS**

The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. It is important to note that the District's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market

conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

## **A LAST WORD**

Anything in this Official Statement involving matters of opinion or estimates – whether labeled as such or not – are just that. They are not representations of fact. They might not prove true. Neither this Official Statement nor any other written or oral information is to be construed as a contract with the registered owners of the Bonds.

The District has duly authorized the execution and delivery of this Official Statement.

/s/  
Dale Maes, President, Board of Education

/s/  
Veronica D. Tso, Secretary, Board of Education



# APPENDIX A

## ECONOMIC & DEMOGRAPHIC INFORMATION RELATING TO THE DISTRICT

## THE ECONOMY

The Bloomfield Municipal School District No. 6 (the "District") is located in San Juan County in the southeast quadrant of New Mexico. This area of the State is primarily an oil and natural gas production. The District encompasses approximately 40 percent of the eastern portion of San Juan County, New Mexico. The area of the District is roughly 1700 square miles. The city of Bloomfield is the major metropolitan area in the District and is located 13 miles east of the city of Farmington and seven miles south of Aztec, the county seat. The District embodies a large portion of the San Juan Basin, a large oil, natural gas and coal field. Oil and natural gas are extracted from wells located throughout the basin, gathered, refined and transported to buyers in New Mexico and in other western states. The methods of transporting these oil and gas products include trucking, rail and pipeline. The District also overlaps a portion of the Bisti area which is replete with valuable coal deposits.

### Electrical Generation

The economic base of the area was broadened beyond agriculture and oil and gas production in the 1960's with construction of two coal-fired generating plants, the Four Corners Generating Station and the San Juan Generating Station.

Arizona Public Service ("APS") Company operates Four Corners Power Plant, a five-unit 2,040 megawatt coal-fired plant. Located on the Navajo Indian Reservation 20 miles west of Farmington, nearly 80% of the plant's employees are Native American. Three of the five units closed in December 2013 as part of a \$182 million plan for APS to meet environmental regulations. APS has purchased a larger stake in Units 4 and 5 of the Four Corners Power Plant that will remain open and do not need as much investment to meet EPA standards. APS has not been replacing workers at the plant as they quit or retired since 2010 when the plan was first proposed, avoiding layoffs from the closure. APS owned 15% of Units 4 and 5 and bought an additional 48% stake in them from Southern California Edison. PNM Resources Inc. of New Mexico, Salt River Project, El Paso Electric and Tucson Electric Power also own minority stakes in Units 4 and 5. APS expects to spend \$350 million by August 2018 upgrading Units 4 and 5 to meet EPA pollution standards by adding pollution controls in a process known as selective catalytic reduction.

The Public Service Company of New Mexico ("PNM") owns a significant portion of San Juan Generating Station (SJGS), a four-unit, 1,683 megawatt of net accredited generation capacity, coal-fired plant located approximately 15 miles west of Farmington. The company operates SJGS on behalf of itself and eight other owners in the West. The plant employs approximately 740 full-time employees and is the 7th largest coal-fired generating station in the West. In December of 2015, after two years of controversial hearings, the New Mexico Public Regulation Commission approved a Public Service Company of New Mexico compromise plan to shut down two of the coal-fired power plant's four generating units. Retirement of the Waterflow power plant's Units No. 2 and No. 3 — which cuts the mine's coal requirements in half — is scheduled for completion by Dec. 31, 2017. The plan brings the plant into compliance with federal haze regulations while allowing it to continue operations.

### Oil and Gas Production

The oil and gas industry has been important to the San Juan County economy since the 1920's and between the early 1950's and early 1980's was its mainstay. Large scale development began in 1951 and continued until 1983 when cheaper foreign crude oil and natural gas supplies dominated the market.

New Mexico oil and natural gas reserves are estimated at over 700 million barrels of oil and over 17 trillion cubic feet of natural gas, according to the New Mexico Energy, Minerals and Natural Resources Division. As of 2014<sup>1</sup> New Mexico ranks 6<sup>th</sup> in crude oil production and 4<sup>th</sup> in proven oil reserves. In addition, New Mexico is ranked 7<sup>th</sup> in natural gas production and 3<sup>rd</sup> in natural gas reserves with approximately 68% located in northwestern New Mexico. San Juan County has been ranked first in gas production in New Mexico and 3<sup>rd</sup> in oil production for the past two years and these rankings are not expected to change in the foreseeable future. Exploration for natural gas in coal seams throughout the San Juan Basin has increased potential reserves by as much as 50 trillion cubic feet.

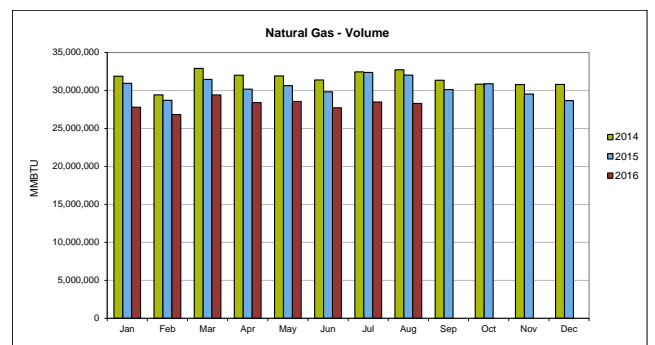
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<sup>1</sup> State Profile and Energy Estimates. New Mexico. U.S. Energy Information Administration. <http://www.eia.gov/State/?sid=NM#tabs-3>

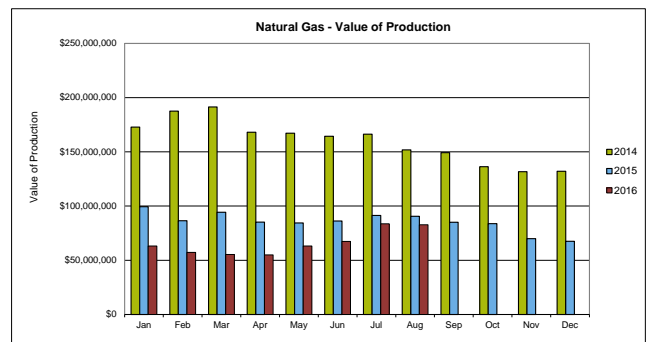
The oil and gas industry is an important component of the San Juan County economy. The following tables present the history of oil and gas production in the County and the State as reported to the State Department of Taxation & Revenue by the Oil and Gas Accounting Division<sup>2</sup>.

| San Juan County Oil & Gas History |               |                |              |                |
|-----------------------------------|---------------|----------------|--------------|----------------|
| Year                              | Crude Oil     |                | Natural Gas  |                |
|                                   | Volume (bbls) | Value (\$000s) | Volume (MCF) | Value (\$000s) |
| 2015                              | 4,112,885     | \$156,173      | 365,471,873  | \$1,024,309    |
| 2014                              | 2,471,661     | 193,423        | 378,569,589  | 1,918,795      |
| 2013                              | 1,393,622     | 118,921        | 390,823,915  | 1,732,539      |
| 2012                              | 977,284       | 79,310         | 426,935,918  | 1,638,005      |
| 2011                              | 2,167,068     | 80,745         | 454,172,594  | 2,529,552      |
| 2010                              | 918,284       | 59,302         | 426,402,736  | 2,297,225      |
| 2009                              | 1,056,286     | 48,457         | 525,211,631  | 2,149,341      |
| 2008                              | 995,158       | 99,241         | 475,771,277  | 4,138,521      |
| 2007                              | 1,052,512     | 65,864         | 563,463,024  | 3,930,387      |
| 2006                              | 642,599       | 67,570         | 623,232,123  | 3,793,857      |

| Natural Gas Volume |                    |                    |                   |                    |                   |
|--------------------|--------------------|--------------------|-------------------|--------------------|-------------------|
|                    | 2014               | 2015               | % Change vs. 2014 | 2016               | % Change vs. 2015 |
| Jan                | 31,894,908         | 30,952,548         | -2.95%            | 27,811,951         | -10.15%           |
| Feb                | 29,428,108         | 28,710,161         | -2.44%            | 26,832,365         | -6.54%            |
| Mar                | 32,908,409         | 31,473,735         | -4.36%            | 29,431,865         | -6.49%            |
| Apr                | 32,016,198         | 30,182,278         | -5.73%            | 28,423,311         | -5.83%            |
| May                | 31,918,478         | 30,642,459         | -4.00%            | 28,568,733         | -6.77%            |
| Jun                | 31,398,659         | 29,839,142         | -4.97%            | 27,734,802         | -7.05%            |
| Jul                | 32,465,939         | 32,390,329         | -0.23%            | 28,497,509         | -12.02%           |
| Aug                | 32,737,263         | 32,039,528         | -2.13%            | 28,317,903         | -11.62%           |
| Sep                | 31,359,952         | 30,129,730         | -3.92%            |                    |                   |
| Oct                | 30,843,116         | 30,898,633         | 0.18%             |                    |                   |
| Nov                | 30,790,777         | 29,545,376         | -4.04%            |                    |                   |
| Dec                | 30,807,782         | 28,667,954         | -6.95%            |                    |                   |
| <b>Total</b>       | <b>378,569,589</b> | <b>365,471,873</b> |                   | <b>225,618,439</b> |                   |

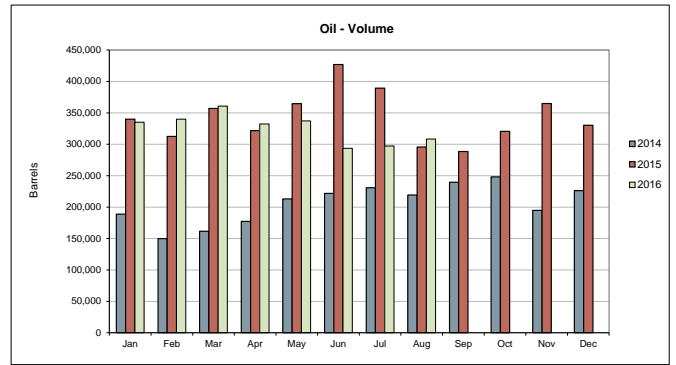


| Natural Gas Value |                         |                         |                   |                       |                   |
|-------------------|-------------------------|-------------------------|-------------------|-----------------------|-------------------|
|                   | 2014                    | 2015                    | % Change vs. 2014 | 2016                  | % Change vs. 2015 |
| Jan               | \$ 172,811,240          | \$ 99,368,111           | -42.50%           | \$63,219,606          | -36.38%           |
| Feb               | 187,602,752             | 86,510,737              | -53.89%           | 57,235,348            | -33.84%           |
| Mar               | 191,439,024             | 94,356,682              | -50.71%           | 55,305,943            | -41.39%           |
| Apr               | 168,039,839             | 85,147,942              | -49.33%           | 54,924,323            | -35.50%           |
| May               | 167,243,722             | 84,404,515              | -49.53%           | 63,117,943            | -25.22%           |
| Jun               | 164,366,014             | 86,186,316              | -47.56%           | 67,346,632            | -21.86%           |
| Jul               | 166,289,378             | 91,370,782              | -45.05%           | 83,694,864            | -8.40%            |
| Aug               | 151,766,404             | 90,564,898              | -40.33%           | 82,748,071            | -8.63%            |
| Sep               | 149,203,807             | 85,138,922              | -42.94%           |                       |                   |
| Oct               | 136,256,394             | 83,784,524              | -38.51%           |                       |                   |
| Nov               | 131,698,243             | 69,910,529              | -46.92%           |                       |                   |
| Dec               | 132,078,265             | 67,565,401              | -48.84%           |                       |                   |
| <b>Total</b>      | <b>\$ 1,918,795,080</b> | <b>\$ 1,024,309,358</b> |                   | <b>\$ 527,592,730</b> |                   |

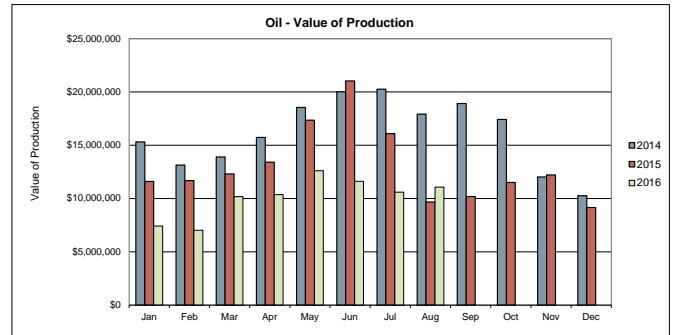


<sup>2</sup> Source: NM ONGARD.

| Oil Volume   |                  |                  |                   |                  |                   |
|--------------|------------------|------------------|-------------------|------------------|-------------------|
|              | 2014             | 2015             | % Change vs. 2014 | 2016             | % Change vs. 2015 |
| Jan          | 188,910          | 340,089          | 80.03%            | 335,038          | -1.49%            |
| Feb          | 149,915          | 312,614          | 108.53%           | 340,002          | 8.76%             |
| Mar          | 161,552          | 357,108          | 121.05%           | 360,752          | 1.02%             |
| Apr          | 177,198          | 321,805          | 81.61%            | 332,465          | 3.31%             |
| May          | 213,185          | 364,703          | 71.07%            | 337,216          | -7.54%            |
| Jun          | 221,803          | 427,073          | 92.55%            | 293,682          | -31.23%           |
| Jul          | 230,823          | 389,469          | 68.73%            | 297,387          | -23.64%           |
| Aug          | 219,383          | 295,745          | 34.81%            | 308,440          | 4.29%             |
| Sep          | 239,658          | 288,479          | 20.37%            |                  |                   |
| Oct          | 248,063          | 320,616          | 29.25%            |                  |                   |
| Nov          | 194,865          | 364,977          | 87.30%            |                  |                   |
| Dec          | 226,306          | 330,207          | 45.91%            |                  |                   |
| <b>Total</b> | <b>2,471,661</b> | <b>4,112,885</b> |                   | <b>2,604,982</b> |                   |



| Oil Value    |                       |                       |                   |                      |                   |
|--------------|-----------------------|-----------------------|-------------------|----------------------|-------------------|
|              | 2014                  | 2015                  | % Change vs. 2014 | 2016                 | % Change vs. 2015 |
| Jan          | \$ 15,310,953         | \$ 11,596,216         | -24.26%           | \$ 7,411,673         | -36.09%           |
| Feb          | 13,133,334            | 11,677,247            | -11.09%           | 7,019,821            | -39.88%           |
| Mar          | 13,895,179            | 12,306,251            | -11.44%           | 10,173,524           | -17.33%           |
| Apr          | 15,733,108            | 13,407,213            | -14.78%           | 10,367,544           | -22.67%           |
| May          | 18,544,256            | 17,353,284            | -6.42%            | 12,611,536           | -27.32%           |
| Jun          | 20,009,641            | 21,029,789            | 5.10%             | 11,618,941           | -44.75%           |
| Jul          | 20,255,498            | 16,086,787            | -20.58%           | 10,590,548           | -34.17%           |
| Aug          | 17,923,477            | 9,664,793             | -46.08%           | 11,077,383           | 14.62%            |
| Sep          | 18,909,394            | 10,183,063            | -46.15%           |                      |                   |
| Oct          | 17,421,944            | 11,503,216            | -33.97%           |                      |                   |
| Nov          | 12,025,299            | 12,207,245            | 1.51%             |                      |                   |
| Dec          | 10,260,962            | 9,158,117             | -10.75%           |                      |                   |
| <b>Total</b> | <b>\$ 193,423,045</b> | <b>\$ 156,173,221</b> |                   | <b>\$ 80,870,971</b> |                   |



Source: NM ONGARD.

#### CRUDE OIL SALES - COUNTY COMPARISON

| County     | 2012          |                | 2013          |                | 2014          |                | 2015          |                |
|------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
|            | Volume (bbls) | Value (\$000s) | Volume (bbls) | Value (\$000s) | Volume (bbls) | Value (\$000s) | Volume (bbls) | Value (\$000s) |
| Eddy       | 45,520,609    | \$3,980,107    | 53,330,702    | \$4,940,701    | 60,463,953    | \$5,081,431    | 71,527,491    | \$3,186,027    |
| Lea        | 37,214,174    | 3,260,570      | 45,543,543    | 4,216,309      | 57,633,462    | 4,833,961      | 66,685,460    | 2,986,951      |
| San Juan   | 977,284       | 79,310         | 1,393,622     | 118,921        | 2,471,661     | 193,423        | 4,112,885     | 156,173        |
| Sandoval   | 157,090       | 12,775         | 757,246       | 67,276         | 1,833,371     | 142,639        | 2,682,370     | 102,449        |
| Chaves     | 1,841,355     | 161,414        | 1,540,044     | 140,675        | 1,517,894     | 119,918        | 2,144,262     | 82,685         |
| Rio Arriba | 1,098,129     | 89,926         | 1,119,881     | 94,937         | 1,463,514     | 121,468        | 1,344,064     | 59,112         |
| Roosevelt  | 275,518       | 23,976         | 221,331       | 20,233         | 219,735       | 18,439         | 185,086       | 8,112          |
| McKinley   | 40,364        | 3,255          | 58,429        | 4,932          | 58,094        | 4,638          | 29,426        | 1,091          |

#### NATURAL GAS SALES - COUNTY COMPARISON

| County     | 2012         |                | 2013         |                | 2014         |                | 2015         |                |
|------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
|            | Volume (MCF) | Value (\$000s) | Volume (MCF) | Value (\$000s) | Volume (MCF) | Value (\$000s) | Volume (MCF) | Value (\$000s) |
| San Juan   | 426,935,918  | \$1,638,005    | 390,823,915  | \$1,732,539    | 378,569,589  | \$1,918,795    | 365,471,873  | \$1,024,309    |
| Eddy       | 241,376,881  | 1,038,135      | 257,345,438  | 1,239,623      | 316,917,359  | 1,509,639      | 296,623,329  | 809,379        |
| Rio Arriba | 319,144,843  | 1,306,974      | 291,544,849  | 1,358,207      | 272,981,989  | 1,446,967      | 264,590,563  | 771,451        |
| Lea        | 172,704,832  | 857,600        | 174,058,502  | 876,223        | 186,551,214  | 1,000,724      | 208,030,130  | 557,806        |
| Colfax     | 26,855,659   | 73,624         | 25,235,846   | 91,706         | 23,618,631   | 102,457        | 22,308,907   | 56,589         |
| Chaves     | 18,726,148   | 63,911         | 16,565,728   | 66,120         | 14,633,719   | 68,679         | 12,497,384   | 31,424         |
| Sandoval   | 2,461,190    | 8,613          | 2,508,185    | 11,566         | 4,814,635    | 28,032         | 9,696,987    | 33,412         |
| Roosevelt  | 2,397,985    | 9,866          | 1,766,165    | 8,065          | 2,540,556    | 12,289         | 2,206,607    | 5,158          |

Source: New Mexico Taxation and Revenue Department, Oil & Gas Accounting Division.

## Coal Mining

BHP Billiton previously owned the three large mines producing coal for the Four Corners Power Plant and San Juan Generating Stations and transferred the mines to the Navajo Transitional Energy Co. (“NTEC”) which was formed by the Navajo Nation to own the mine and other entities. In December of 2015, NTEC entered into a 15-year contract with the Bisti Fuels Co., a subsidiary of the North American Coal Corp., to manage operations at the mine after BHP leaves. BHP Billiton will continue to manage the mine through 2016 on behalf of the tribe. Navajo Mine employs about 375 workers, 80 percent of whom are Navajo. The Navajo Mine supplies the Four Corners Plant and the San Juan and LaPlata Mines, each estimated to have useful lives in excess of twenty years, supply the San Juan Plant. On December 30, 2013, the NTEC and Four Corners Plant executed a coal supply agreement from July 2016 through 2031<sup>3</sup>.

The Navajo Mine is located approximately 20 miles southwest of Farmington, the LaPlata Mine is 20 miles north of Farmington, within the District’s boundaries, and the San Juan mine is northwest of Farmington. The San Juan Mine is the only active underground mine in New Mexico. BHP officially transferred ownership of San Juan Mine to Westmoreland on February 1, 2016. San Juan Mine is contracted to deliver 3.2 million tons, per year and currently employs 361 people after laying off 85 workers in June 2016<sup>4</sup>.

Coal production in New Mexico is estimated at over 13 million tons per year with coal reserves in San Juan of 80 million recoverable tons.

## Navajo Indian Irrigation Project

The Navajo Indian Irrigation Project (“NIIP”), representing a joint federal and tribal investment is farmed by the Navajo Agricultural Products Industry (“NAPI”), an enterprise of the Navajo Nation. Composed of over 110,000 acres, the project is currently 70% complete with approximately 70,000 acres under cultivation and over 40,000 acres still to be developed. NAPI produces high value crops such as potatoes, onions, beans, alfalfa, pumpkin, barley, corn, and wheat. The enterprise also includes a 12,000 head custom feedyard, testing laboratory, fresh pack operation, bean plant, pellet/granary operation, and potato storage facilities. Business ventures contracted with NAPI include production of sod and an orchard (apples, peaches, apricots, and pears). Located on the project and just seven miles south of Farmington on Highway 371, is a 300 acre industrial park.

NAPI’s success is dependent on over 150 full-time and 800 seasonal employees. Ninety-nine percent of the employees are members of the Navajo Nation.

NAPI’s mission is to develop, grow and maintain the resources of the projected 110,000 acres. As a grower, NAPI provides quality products under the “Navajo Pride” label.

## Education

San Juan College offers a two-year college program, enabling students to obtain Associate Degrees in Arts or Sciences in addition to occupational degrees and certificate programs. The District was founded in 1956 and has grown dramatically in size and scope since its founding. It is the most affordable post-secondary school in New Mexico. The College recently opened its Energy and Power Schools which will allow students to access careers in the oil and gas industry. It also has similar programs in pre-medicine and education.

## Medical

San Juan Regional Medical Center (“SJRMC”) is an acute care hospital in the Four Corners region with over 210 licensed beds. It received the Healthgrades Distinguished Hospital Award for Clinical Excellence in 2013 and is

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<sup>3</sup> Navajo Mine owners ready to take over from BHP. Farmington Daily Times. <http://www.daily-times.com/story/money/industries/coal/2016/06/25/navajo-mine-owners-ready-to-take-over-from-bhp/85856610/>.

<sup>4</sup> Westmoreland Coal lays off 85 at San Juan Mine. Farmington Daily Times. <http://www.daily-times.com/story/money/industries/coal/2016/06/16/westmoreland-coal-lays-off-85-san-juan-mine/85970582/>.

ranked among the top 5% in the nation for overall clinical excellence. In addition to this national recognition, SJRMC is also the only hospital in New Mexico and the Four Corners region to receive this distinction.

SJRMC is designated a Level III Trauma Center and provides air ambulance service with a helicopter and a fixed wing aircraft. SJRMC provides a very broad range of medical, surgical and rehabilitation services. In addition to those services, the hospital also provides a Childbirth Center, a nephrology unit, a pediatric unit, an inpatient behavioral health unit, a day surgery center and extensive imaging and lab testing services. In addition, the hospital operates a number of offsite facilities.

### Tourism

The Four Corners area boasts internationally known tourist attractions including Mesa Verde, Canyon de Chelly, Monument Valley and Lake Powell. Equally worthy attractions within the County include Chaco Cultural National Historical Park (a major Anasazi cultural center during the 12th and 13th centuries), Aztec Ruins National Monument (500 room Indian community ruin with reconstructed Kiva), white water river rafting and nationally renowned trout fishing on the San Juan River just below Navajo Lake. Tourist visits to Aztec Ruins have increased significantly over the years. The Connie Mack Baseball World Championship Tournament is held in Farmington each summer. Navajo rugs, Indian jewelry, paintings and sculpture are available at local trading posts and shops.

### Population

The following chart sets forth historical and current population data for the City of Bloomfield, San Juan County and the State.

| Census Year                               | City of Bloomfield | Farmington MSA* | State of New Mexico |
|---|--------------------|-----------------|---------------------|
| 1960                                      | 1,292              | 53,306          | 951,023             |
| 1970                                      | 1,574              | 52,517          | 1,017,055           |
| 1980                                      | 4,881              | 81,433          | 1,303,143           |
| 1990                                      | 5,214              | 91,605          | 1,515,069           |
| 2000                                      | 6,417              | 113,801         | 1,826,280           |
| 2010                                      | 8,112              | 130,145         | 2,065,826           |
| 2015**                                    | 7,314              | 118,737         | 2,085,572           |
| 2016 <sup>(1)</sup>                       | 8,021              | 120,853         | 2,088,585           |
| 2021 <sup>(1)</sup>                       | 7,854              | 115,232         | 2,111,960           |
| Projected Growth 2016-2021 <sup>(2)</sup> | -2.08%             | -4.65%          | 1.12%               |

\*In 2004, the City of Farmington and San Juan County were reclassified as Farmington Metropolitan Statistical Area ("MSA").

\*\*Estimates. Source: U.S. Census Bureau: State and County QuickFacts.

(1) Estimates. Source: The Nielsen Company, August 2016.

(2) Projected. Source: The Nielsen Company, August 2016.

## Age Distribution

The following table sets forth a comparative age distribution profile for San Juan County, the State of New Mexico and the United States.

| Age          | Farmington MSA | New Mexico | United States |
|--------------|----------------|------------|---------------|
| 0 - 17       | 27.44%         | 24.19%     | 22.97%        |
| 18 - 24      | 9.52%          | 9.87%      | 9.84%         |
| 25 - 34      | 13.66%         | 13.26%     | 13.35%        |
| 35 - 44      | 12.13%         | 11.84%     | 12.63%        |
| 45 - 54      | 11.70%         | 12.20%     | 13.33%        |
| 55 and Older | 25.55%         | 28.64%     | 27.88%        |

Source: The Nielsen Company, August 2016.

## Effective Buying Income

The following table reflects the percentage of households by Effective Buying Income (“EBI”) and a five-year comparison of the estimated median household income as reported by The Nielsen Company. EBI is personal income less personal tax and non-tax payments. Personal income includes wages and salaries, other labor income, proprietors' income, rental income, dividends, personal interest income and transfer payments. Deductions are made for federal, state and local taxes, non-tax payments such as fines and penalties, and personal contributions for social security insurance.

| Effective Buying Income Group | Farmington MSA | New Mexico | United States |
|-------------------------------|----------------|------------|---------------|
| Under \$25,000                | 27.55%         | 29.15%     | 22.72%        |
| \$25,000 - \$34,999           | 10.46%         | 11.18%     | 9.97%         |
| \$35,000 - \$49,999           | 14.53%         | 13.88%     | 13.41%        |
| \$50,000 - \$74,999           | 15.53%         | 17.21%     | 17.60%        |
| \$75,000 & Over               | 31.93%         | 28.57%     | 36.30%        |

|                                   |          |          |          |
|-----------------------------------|----------|----------|----------|
| 2012 Est. Median Household Income | \$43,808 | \$41,958 | \$49,581 |
| 2013 Est. Median Household Income | \$47,601 | \$43,273 | \$49,297 |
| 2014 Est. Median Household Income | \$55,671 | \$44,292 | \$51,579 |
| 2015 Est. Median Household Income | \$50,767 | \$45,633 | \$53,706 |
| 2016 Est. Median Household Income | \$47,377 | \$45,445 | \$55,551 |

Source: The Nielsen Company, August 2016.

## Employment

The following table presents information on employment within San Juan County, the State of New Mexico, and the United States, for the periods indicated. The annual unemployment figures indicate average rates for the entire year and do not reflect monthly or seasonal trends.

| Year <sup>(1)</sup> | Farmington MSA |              | State of New Mexico |              | United States |
|---------------------|----------------|--------------|---------------------|--------------|---------------|
|                     | Labor Force    | % Unemployed | Labor Force         | % Unemployed | % Unemployed  |
| 2016 <sup>(2)</sup> | 56,790         | 8.30%        | 928,567             | 6.50%        | 4.90%         |
| 2015                | 55,257         | 7.00%        | 919,889             | 6.60%        | 5.30%         |
| 2014                | 55,039         | 6.40%        | 918,206             | 6.50%        | 6.20%         |
| 2013                | 54,589         | 6.80%        | 922,960             | 6.90%        | 7.40%         |
| 2012                | 55,405         | 7.10%        | 928,050             | 7.10%        | 8.10%         |
| 2011                | 55,074         | 7.80%        | 929,862             | 7.60%        | 8.90%         |
| 2010                | 54,896         | 9.40%        | 936,088             | 8.10%        | 9.60%         |
| 2009                | 56,398         | 7.90%        | 940,352             | 7.50%        | 9.30%         |
| 2008                | 57,112         | 3.90%        | 944,548             | 4.50%        | 5.80%         |
| 2007                | 55,637         | 3.40%        | 934,027             | 3.80%        | 4.60%         |

(1) Numbers are annual averages.

(2) Data for the month of October 2016. Numbers are Preliminary.

Source: U.S. Bureau of Labor Statistics, December 2016.

## Major Employers

The following table shows major employers with over 500 employees in San Juan County.

| Employer                         | Type of Business | Number of Employees |
|----------------------------------|------------------|---------------------|
| Farmington Schools               | Education        | 1,980               |
| San Juan Regional Medical Center | Medical          | 1,916               |
| City of Farmington               | Government       | 1,119               |
| BHP Minerals                     | Mining & Coal    | 1,072               |
| San Juan College                 | Education        | 990                 |
| Central Consolidated Schools     | Education        | 924                 |
| San Juan County                  | Government       | 662                 |
| Conoco Phillips                  | Oil & Gas        | 646                 |
| The District                     | Education        | 610                 |
| Aztec Well Services              | Oil & Gas        | 537                 |
| <b>Total Top Employers</b>       |                  | <b>10,456</b>       |

Source: Four Corners Economic Development, June 2016.



## Covered Wage and Salary Employment

The New Mexico Workforce Solutions publishes quarterly reports of covered employment and wages according to the [North American Industry Classification System \(NAICS\)](#).

| <b>San Juan County</b>                   | <b>2012</b>   | <b>2013</b>   | <b>2014</b>   | <b>2015</b>   | <b>2016<sup>(1)</sup></b> |
|--|---------------|---------------|---------------|---------------|---------------------------|
| Total Private                            | 38,164        | 38,090        | 38,987        | 38,893        | 36,632                    |
| Accommodation and Food Services          | 3,958         | 3,989         | 4,293         | 4,535         | 4,810                     |
| Administrative and Waste Services        | 1,159         | 1,141         | 1,160         | 1,145         | 1,057                     |
| Agriculture, Forestry, Fishing & Hunting | 257           | 252           | 243           | 233           | 172                       |
| Arts, Entertainment, and Recreation      | 460           | 467           | 432           | 424           | 578                       |
| Construction                             | 3,512         | 3,475         | 3,560         | 3,778         | 3,081                     |
| Educational Services                     | 349           | 347           | 338           | 335           | 319                       |
| Finance and Insurance                    | 907           | 893           | 897           | 914           | 914                       |
| Health Care and Social Assistance        | 6,176         | 6,346         | 6,409         | 6,658         | 6,841                     |
| Information                              | 266           | 258           | 252           | 210           | 236                       |
| Management of Companies and Enterprises  | 228           | 249           | 253           | 267           | 255                       |
| Manufacturing                            | 1,366         | 1,289         | 1,320         | 1,245         | 958                       |
| Mining                                   | 6,470         | 6,480         | 6,723         | 6,048         | 5,015                     |
| Other Services, Ex. Public Admin         | 1,445         | 1,237         | 1,245         | 1,266         | 1,248                     |
| Professional and Technical Services      | 945           | 953           | 971           | 999           | 1,047                     |
| Real Estate and Rental and Leasing       | 471           | 492           | 500           | 540           | 534                       |
| Retail Trade                             | 6,181         | 6,156         | 6,276         | 6,339         | 6,078                     |
| Transportation and Warehousing           | 1,288         | 1,322         | 1,390         | 1,401         | 1,139                     |
| Utilities                                | 1,004         | 971           | 913           | 853           | 836                       |
| Wholesale Trade                          | 1,724         | 1,773         | 1,813         | 1,705         | 1,512                     |
| Government                               | 11,002        | 11,269        | 11,227        | 11,215        | 11,398                    |
| <b>Total</b>                             | <b>49,166</b> | <b>49,359</b> | <b>50,214</b> | <b>50,108</b> | <b>48,031</b>             |

(1) Data as of Second Quarter of 2016.

Note: Figures shown here are annual averages of quarterly data.

Source: New Mexico Department of Workforce Solutions, Quarterly Census of Employment and Wages program.

**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

STATE OF NEW MEXICO

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6

ANNUAL FINANCIAL REPORT

JUNE 30, 2016



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## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
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**FOR THE YEAR ENDED JUNE 30, 2016**

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**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
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**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
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**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**OFFICIAL ROSTER**  
**FOR THE YEAR ENDED JUNE 30, 2016**

| <u><b>Name</b></u> |                           | <u><b>Title</b></u>          |
|--------------------|---------------------------|------------------------------|
|                    | <u>School Board</u>       |                              |
| Dale Maes          |                           | President                    |
| Eric Smith         |                           | Vice-President               |
| Veronica Tso       |                           | Secretary                    |
| Elizabeth Gomez    |                           | Member                       |
| Bruce Armenta      |                           | Member                       |
|                    | <u>District Officials</u> |                              |
| Kim Mizell         |                           | Superintendent               |
| Anna Redding       |                           | Director of Finance          |
| Tamara Nothstine   |                           | Business Manager             |
| Charles Culpepper  |                           | Director of Operations       |
| Lena Smith         |                           | Director of Federal Programs |
| Deborah Hernandez  |                           | Director of Human Resources  |

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**FINANCIAL SECTION**



# Manning Accounting and Consulting Services, LLC

## INDEPENDENT AUDITOR'S REPORT

Timothy Keller, New Mexico State Auditor  
The Office of Management and Budget  
And the Board of Education of  
Bloomfield Municipal School District No. 6  
Bloomfield, New Mexico

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Bloomfield Municipal School District No. 6, (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons for the major capital project fund, debt service fund, and all nonmajor funds presented as supplementary information as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016 as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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.

### Opinion

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

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 9 and Schedules I and II and notes to the required supplementary information on pages 53 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparison. The introductory section and other supplemental information, Schedules III through IX are presented for the purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Expenditures of Federal Awards and Schedules III through VI on pages 118 through 123 required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and Schedules III through VI required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section on pages i through iv, and Schedules VII through VIII on pages 124 through 134 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Manning Accounting and Consulting Services, LLC*

Manning Accounting and Consulting Services, LLC  
Kirtland, New Mexico  
October 13, 2016

BLOOMFIELD SCHOOLS  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For Fiscal Year Ending June 30, 2016

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2016.

**FINANCIAL HIGHLIGHTS**

State revenues accounted for \$23.5 million or 63% of total revenues, Local revenues accounted for \$8.4 million or 23% and Federal revenues accounted for \$5.2 million or 14%

The general operational fund reported a positive cash balance of \$3,522,912 after a \$982,399 loan to the districts' reimbursable Federal funds; for an actual cash balance of \$4,505,311 or 17.8% of the \$25,306,344 budget in Fiscal Year 2016. This is a \$907,154 increase over fiscal year 2015.

The District did not sell any new bonds in the fiscal year ended June 30, 2016.

For FY16, Capital Outlay expenditures totaled \$2,512,455 for district equipment, technology, facility and ground maintenance throughout the district. The debt service fund had expenditures totaling \$6,262,409 for bond principal and interest payments, as well as county treasurer fees.

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT**

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

**REPORTING THE SCHOOL DISTRICT AS A WHOLE**

The Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities for the fiscal year. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenue and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes to it. The Change in Net Position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

## **REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

### Fund Financial Statements

The basic financial statements begin immediately following this section. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's governmental funds use different accounting approaches as further described in the notes to the financial statements.

### Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-view of the District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

### Government-wide Financial Analysis

As noted earlier, the Statement of Net Position may serve over time as a useful indicator of a government's financial position. In the case of the Bloomfield School District, liabilities and deferred inflows exceeded assets and deferred outflows by \$4.0million (see page 10) at the close of this fiscal year. This is an increase of \$0.3 million from fiscal year 2015 due to an increase of the employee retirement liability mandated by GASB 68.

A significant portion of the District's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An analysis of fiscal year 2016 follows:

Changes in Net Position

|  | <u>2016</u>           | <u>2015</u>           |
|--|-----------------------|-----------------------|
| Current Assets   | \$ 8,982,362          | \$15,842,904          |
| Restricted and Capital Assets                          | 75,140,449            | 72,098,771            |
| Total Assets   | 84,122,811            | 87,941,675            |
| Deferred Outflows of Resources                         | 3,702,595             | 2,500,296             |
| Total Assets and Deferred<br>Outflows Of Resources**   | <u>87,825,406</u>     | <u>90,441,971</u>     |
| Current Liabilities                                    |                       |                       |
| Current Liabilities                                    | 6,915,092             | 5,936,177             |
| Long Term Liabilities *                                | 83,679,344            | 84,786,384            |
| Deferred Inflows of Resources* *                       | 1,203,971             | 3,483,900             |
| Total Liabilities and Deferred<br>Inflows of Resources | <u>91,798,407</u>     | <u>94,206,461</u>     |
| Net Investment in Capital Assets, net of<br>debt       | 16,794,324            | 15,851,292            |
| Restricted   | 10,384,214            | 11,573,988            |
| Unrestricted   | (31,151,539)          | (31,189,770)          |
| Total Net Position                                     | <u>(\$ 3,973,001)</u> | <u>(\$ 3,764,490)</u> |

\*Includes the net pension liability of \$36,911,997

\*\*Change in pension experience, proportion, assumptions, and actuarial experience

An additional portion of the District's net position represents resources subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position may be used to meet the District's ongoing activities.



Statement of Activities

|   | <u>2016</u>          | <u>2015</u>          |
|---|----------------------|----------------------|
| Revenues                                  |                      |                      |
| Program Revenues                          |                      |                      |
| Charges for Services                      | 564,157              | 564,628              |
| Operating grants                          | 6,693,546            | 6,563,948            |
| Capital grants and contributions          | <u>78,266</u>        | <u>138,122</u>       |
| Total Program Revenues                    | <u>7,335,969</u>     | <u>7,266,698</u>     |
| General Revenues                          |                      |                      |
| Property Taxes                            | 7,680,392            | 7,854,305            |
| Grants and contributions not restricted   | 21,905,633           | 21,255,180           |
| Investment Earnings                       | 11,205               | 7,024                |
| Miscellaneous income                      | 130,783              | 83,081               |
| Total General Revenues                    | <u>29,728,013</u>    | <u>29,199,590</u>    |
| Reversions to State                       | (1,723)              | (26,069)             |
| Grand Total All Revenues                  | <u>\$ 37,062,259</u> | <u>\$ 36,440,219</u> |
| <br>                                      |                      |                      |
| Expenses                                  |                      |                      |
| Instruction                               | \$ 17,684,371        | \$ 17,278,407        |
| Support Services - Students               | 3,058,961            | 3,094,750            |
| Support Services - Instruction            | 641,016              | 616,052              |
| Support Services - General Administration | 1,156,0136           | 1,045,346            |
| Support Services - School Administration  | 2,607,565            | 2,456,694            |
| Other Services                            | 2,766                | 46,669               |
| Central Services                          | 1,080,396            | 1,013,261            |
| Operations & Maintenance of Plant         | 3,490,471            | 3,264,801            |
| Student Transportation                    | 1,133,618            | 1,163,267            |
| Food Services                             | 1,920,182            | 1,872,596            |
| Other Support Services                    | 2,478,359            | 1,150,719            |
| Community Services                        | 2,198                | 1,259                |
| Bond interest paid                        | 2,033,110            | 2,766,115            |
| Depreciation - unallocated                | -                    | -                    |
| Total governmental activities             | <u>37,289,026</u>    | <u>35,769,936</u>    |
| Gain (loss) on asset disposal             | 18,256               | (173,544)            |
| Change in Net Position                    | <u>\$ (208,511)</u>  | <u>\$ 496,739</u>    |

## Governmental Activities

As noted in the side-by-side comparison of revenues and expenditures between FY15 and FY16; the change in net position of the District's governmental activities was a positive increase in the prior year and a decrease in the current year.

The property tax laws in New Mexico create the need to periodically seek voter approval for additional capital outlay funds. The last 2-mill levy was approved by the voters in February 2013. Tax revenue generated from the 2-mill levy provided \$1.42 million for fiscal year 2016. School districts such as ours are dependent upon property taxes as a primary source of revenue to maintain facilities and purchase equipment district-wide.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. The increase in net cost is attributed to increases in salaries, benefits and programs in 2016. General revenues, including tax revenue, investment earnings, and unrestricted State entitlements must support the net cost of program services.

|   | Net cost of Services 2016 | Net cost of Services 2015 |
|---|---------------------------|---------------------------|
| Instruction                               | \$ (14,245,214)           | \$ (13,686,070)           |
| Support Services - Students               | (2,656,429)               | (2,774,645)               |
| Support Services - Instruction            | (633,032)                 | (607,861)                 |
| Support Services - General Administration | (1,161,326)               | (1,045,346)               |
| Support Services - School Administration  | (2,626,801)               | (2,456,694)               |
| Other                                     | (2,766)                   | (46,669)                  |
| Central Services                          | (984,742)                 | (916,735)                 |
| Operations & Maintenance of Plant         | (3,345,214)               | (3,013,476)               |
| Student Transportation                    | (36,325)                  | (33,107)                  |
| Other Support Services                    | (2,469,472)               | (1,144,899)               |
| Food Services                             | (252,806)                 | (310,316)                 |
| Community Services                        | (2,216)                   | (1,259)                   |
| Bond interest paid                        | <u>(\$1,732,510)</u>      | <u>(2,466,161)</u>        |
| Total governmental activities             | <u>\$ (30,148,853)</u>    | <u>\$ (28,503,238)</u>    |

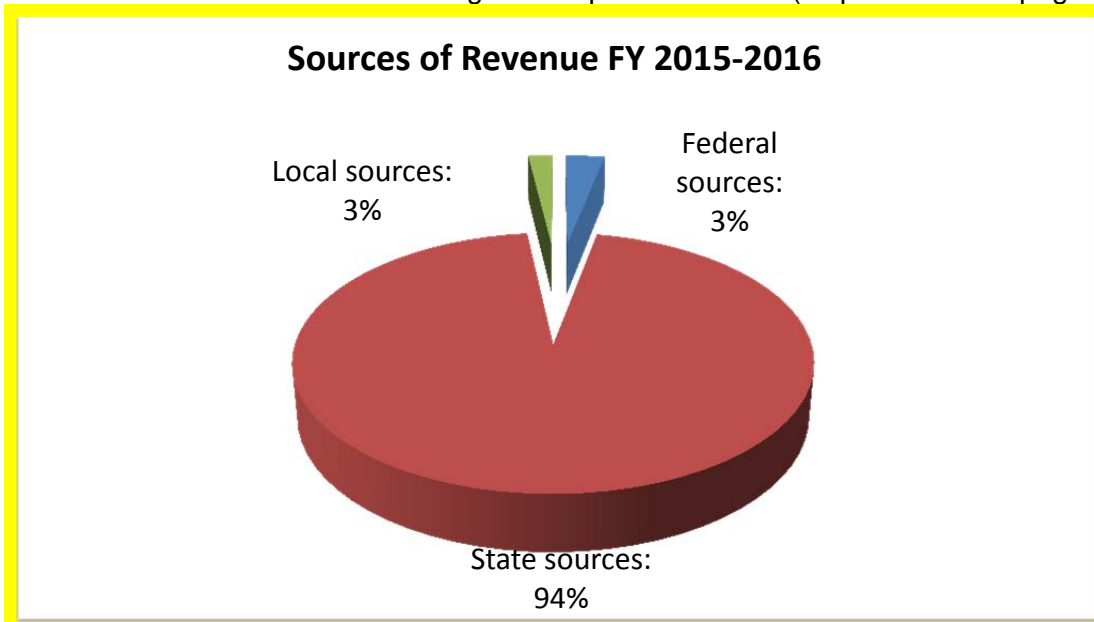
**THE DISTRICT'S FUNDS**

The District's governmental funds (as presented on the balance sheets on page 12, 13 and 14) reported a combined fund balance of \$14,353,361. The schedule below indicates the fund balance by type as of June 30, 2016.

|                    | <u>Fund Balance</u><br><u>June 30, 2016</u> | <u>Fund Balance</u><br><u>June 30, 2015</u> |
|--------------------|---|---|
| Operational        | \$ 3,848,131                                | \$ 3,013,122                                |
| Special Revenue    | 188,476                                     | 279,361                                     |
| Debt Service       | 6,866,822                                   | 6,924,757                                   |
| Capital Projects   | 2,457,973                                   | 3,202,882                                   |
| Other Governmental | <u>991,959</u>                              | <u>1,289,265</u>                            |
| Total              | <u>\$ 14,353,361</u>                        | <u>\$ 14,709,387</u>                        |

**Operational Fund**

The District's general operational fund balance is primarily due to the effective management and oversight of District financial resources. The tables and graphs that follow assist in illustrating the financial activities and balance of the general operational fund (as presented on page 16).



|                  | <b>Sources of Revenue</b> |                     |                      |
|------------------|---------------------------|---------------------|----------------------|
|                  | <u>FY 2015-2016</u>       | <u>FY 2014-2015</u> | <u>FY 2013-2014</u>  |
| Federal sources: | \$ 651,077                | \$ 661,652          | \$ 570,928           |
| State sources:   | 21,192,092                | 20,421,462          | 21,338,397           |
| Local sources:   | <u>580,284</u>            | <u>654,312</u>      | <u>494,260</u>       |
| Total revenues   | <u>\$22,423,453</u>       | <u>\$21,737,426</u> | <u>\$ 22,403,585</u> |

### Operational Fund (continued)

The chart below shows General Operational Fund expenditures by functional categories for the past three fiscal years and that the largest portion of general fund expenditures is spent for direct instruction.

|                  |                                       |                     |
|------------------|---------------------------------------|---------------------|
| <u>2015-2016</u> | <u>Total Operational Expenditures</u> | <u>\$21,588,444</u> |
| <u>2014-2015</u> | <u>Total Operational Expenditures</u> | <u>\$21,520,620</u> |
| <u>2013-2014</u> | <u>Total Operational Expenditures</u> | <u>\$20,682,431</u> |

|                              | 2015-2016     | 2014-2015     | 2013-2014     |
|------------------------------|---------------|---------------|---------------|
|                              | % by Function | % by Function | % by Function |
| Direct Instruction           | 59.6%         | 59.8%         | 60.2%         |
| Support Services Students    | 7.6%          | 8.3%          | 7.6%          |
| Support Services Instruction | 2.3%          | 2.3%          | 2.1%          |
| General Administration       | 3.8%          | 3.6%          | 3.5%          |
| School Administration        | 9.1%          | 9.1%          | 8.9%          |
| Central Services             | 3.4%          | 3.1%          | 3.6%          |
| Operation and Maint of Plant | 14.2%         | 13.6%         | 13.9%         |
| Student Transportation       | 0.0%          | 0.0%          | 0.0%          |
| Other Support Services       | 0.0%          | 0.2%          | 0.2%          |
| Food Services                | 0.0%          | 0.0%          | 0.0%          |
| Community Services           | 0.0%          | 0.0%          | 0.0%          |
| Capital Outlay               | 0.0%          | 0.0%          | 0.0%          |
|                              | 100.0%        | 100.0%        | 100.0%        |

### Other Funds

The District's debt service fund balance decreased by \$57,935 over the prior fiscal year, primarily due to decreased revenues from: 1) property taxes and 2) oil and gas equipment and production taxes as calculated by county and state officials. San Juan County is experiencing a down-turn in values from oil and gas production due to lower oil and gas prices nationwide. The expenses of the fund include debt principal and interest payments, as well as treasurer fees.

The decrease of \$269,430 in the bond building fund balance is primarily due to 1) the districts' bonding capacity which resulted in no incoming bond money and 2) district technology purchases. The remaining fund balance is expected to be spent on continuing technology replacements and improvements for the District.

The capital improvement (SB-9 funds) \$744,909 decrease in fund balance resulted from a decrease in revenues and an increase of expenditures.

### Other Funds (continued)

Other governmental funds consist of special revenue funds that normally are based on limited annual funding for a specific purpose. In FY16, the larger funds consisted of: 1) NM Reads to Lead Grant in the amount of \$130,000 to target reading programs in the grades K – 3, and 2) Pre-K Initiative Grant in the amount of \$462,837 that enables the district to run a 3 & 4 year old program at our Early Childhood Center 3) Various Private Direct Grants for Teachers throughout the district totaled \$88,128 and were used for specific instruction projects for the students. 4) Truancy Initiative Grant was new to the district in FY16 and totaled \$120,000. 5) Also new in FY16 was the Social Workers for Middle Schools Grant for \$65,000. 6) And the Stipends for Hard to Staff Teaching Positions was \$97,200.

### General Fund Budget Information

The District's budget is prepared in accordance with New Mexico State Public Education law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District utilizes input from the Board of Education, the Board of Education Finance Committee, the Superintendent, Director of Finance, Principals, Directors, Supervisors, District staff, and community members to assist in the development of the annual budget.

### Capital Assets

The District has \$68.3 million invested in capital assets net of depreciation all in governmental activities. Detailed information regarding capital asset activity is included on page 41.

On February 12, 2013, the voters passed a Public School Capital Improvement Tax (2-mill) for property tax years 2013 through 2018. The funds are used for a wide range of projects including building and equipment maintenance, furniture, technology and equipment purchases. For the fiscal year ended June 30, 2016 the tax provided just over \$1.5 million in revenues. The next Public School Capital Improvement Tax (2-mill) election will be in February 2019.

### Debt

As of June 30, 2016, the District had \$49,520,000 in outstanding bonds payable. Due to the current economic conditions in San Juan County and the districts' bonding capacity; the district does not anticipate seeking approval for additional bonds until at least 2020. However, two bonds were re-funded in September 2014 that will save district taxpayers approximately \$1.2 million. The district anticipates receiving board approval for an additional bond re-funding in the Fall of 2016 for additional savings to the district and taxpayers.

## Restrictions and Other Limitations

With the support of the proceeds from past bond issues and the passage of the 2-mill levy, the District has been able to provide the necessary funds to maintain its facilities. The District's financial position is very sound as of June 30, 2016; however, future financial stability is not without its challenges.

The first challenge is for management to effectively and efficiently manage available resources to assure that all required educational services are provided. Maintaining student membership numbers is of vital importance in generating revenues necessary to continue educational programs. The loss of students over a prior ten year period has resulted in less revenue, which has caused the District to decrease the number of employees, facilities currently utilized and educational services offered. Between the 2013 and 2015 fiscal years, the district's membership remained flat. For Fiscal Year 2016, district membership increased by 68. This increase; along with the unit value increase, was of great benefit to the district. However, the district continues to spend frugally to ensure that the district always has ample cash reserves for the future.

The second challenge facing the District is based on the state's economy. The District's funding is determined by a calculation (State Equalization Guarantee) that distributes the dollars appropriated to public education by the State Legislature. There are many factors involved in this funding formula; including a Training & Experience (T&E) Index that is based on the training and experience level of certified staff. This T&E Index has been declining over the last three years with seasoned staff retiring and less experienced staff replacing them. The T&E Index recently completed for the FY17 fiscal year funding was up slightly; however the at-risk index went down, which translates into a small decrease in revenue for FY17.

## **CONTACTING THE BLOOMFIELD SCHOOL DISTRICT**

This financial report is designed to provide our community, taxpayers, investors and creditors with an overview of the Bloomfield School District financial condition and to provide accountability for the funds the District receives. If you have questions about our report, please contact:

Director of Finance  
Bloomfield School District  
325 N. Bergin Lane  
Bloomfield, NM 87413  
505-632-4328

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**BASIC FINANCIAL STATEMENTS**



STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF NET POSITION  
 JUNE 30, 2016

Exhibit A-1

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| <b>ASSETS</b>   |                                    |
| <i>Current Assets</i>   |                                    |
| Cash and cash equivalents   | \$ 7,178,850                       |
| Receivables (net of allowance<br>for uncollectibles)                          | 1,504,448                          |
| Inventory   | 299,064                            |
| <i>Total current assets</i>   | <u>8,982,362</u>                   |
| <i>Noncurrent assets</i>  |                                    |
| Restricted Cash   | 6,816,904                          |
| Capital assets (net of accumulated depreciation)                              |                                    |
| Land and land improvements  | 8,880,300                          |
| Buildings and building improvements   | 132,283,414                        |
| Furniture, fixtures and equipment   | 8,591,140                          |
| Less: accumulated depreciation  | (81,431,309)                       |
| <i>Total noncurrent assets</i>  | <u>75,140,449</u>                  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>   |                                    |
| Pension - change in assumptions   | 1,269,600                          |
| Pension - change in proportion  | 168,487                            |
| Pension - employer contributions after measurement date                       | 2,264,508                          |
| <i>Total deferred outflows</i>  | <u>3,702,595</u>                   |
| <i>Total assets and deferred outflows of resources</i>                        | <u>\$ 87,825,406</u>               |
| <b>LIABILITIES</b>  |                                    |
| <i>Current liabilities</i>  |                                    |
| Accounts payable  | \$ 478,723                         |
| Accrued payroll liabilities   | 742,702                            |
| Accrued interest payable  | 649,817                            |
| Current maturities of:  |                                    |
| Bonds payable   | 4,805,000                          |
| Compensated absences  | 238,850                            |
| <i>Total current liabilities</i>  | <u>6,915,092</u>                   |
| <i>Noncurrent liabilities:</i>  |                                    |
| Bond premiums, net of amortization of \$1,715,695                             | 2,009,221                          |
| Bonds payable   | 44,715,000                         |
| Compensated absences  | 43,126                             |
| Net pension liability   | 36,911,997                         |
| <i>Total noncurrent liabilities</i>   | <u>83,679,344</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                                    |
| Pension - change in actuarial experiences                                     | 684,315                            |
| Pension - change in investment experiences                                    | 166,150                            |
| Pension - change in proportion  | 353,506                            |
| <i>Total deferred inflows</i>   | <u>1,203,971</u>                   |
| <b>NET POSITION</b>   |                                    |
| Invested in capital assets  | 16,794,324                         |
| Restricted for:   |                                    |
| Debt service  | 7,098,120                          |
| Capital projects  | 2,526,114                          |
| Other purposes - special revenue  | 759,980                            |
| Unrestricted  | (31,151,539)                       |
| <i>Total net position</i>   | <u>(3,973,001)</u>                 |
| <i>Total liabilities, deferred inflows of<br/>resources, and net position</i> | <u>\$ 87,825,406</u>               |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2016

Exhibit A-2

| <u>Functions/Programs</u>                           | <u>Expenses</u>      | <u>Program Revenues</u>        |   |   | <u>Net<br/>(Expenses)<br/>Revenues and<br/>Changes in<br/>Net Position</u> |                       |
|---|----------------------|--------------------------------|---|---|--|-----------------------|
|   |                      | <u>Charges for<br/>Service</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Capital<br/>Grants and<br/>Contributions</u> |  |                       |
| <b>Primary Government</b>                           |                      |                                |   |   |  |                       |
| Governmental activities:                            |                      |                                |   |   |  |                       |
| Instruction   | \$ 17,684,371        | \$ 161,388                     | \$ 3,398,369                                      | \$ -  | \$ (14,124,614)  |                       |
| Support services:                                   |                      |                                |   |   |  |                       |
| Students  | 3,058,961            | -                              | 420,893   | -   | (2,638,068)  |                       |
| Instruction   | 641,016              | -                              | 12,189  | -   | (628,827)  |                       |
| General administration                              | 1,156,013            | -                              | -   | -   | (1,156,013)  |                       |
| School administration                               | 2,607,565            | -                              | -   | -   | (2,607,565)  |                       |
| Other   | 2,766                | -                              | -   | -   | (2,766)  |                       |
| Central services                                    | 1,080,396            | 101,788                        | -   | -   | (978,608)  |                       |
| Operation & maintenance of plant                    | 3,490,471            | 86,445                         | -   | 69,379  | (3,334,647)  |                       |
| Student transportation                              | 1,133,618            | -                              | 1,103,367   | -   | (30,251)   |                       |
| Food services operations                            | 1,920,182            | 214,536                        | 1,458,128   | -   | (247,518)  |                       |
| Community services                                  | 2,198                | -                              | -   | -   | (2,198)  |                       |
| Interest on long-term debt                          | 2,033,110            | -                              | 300,600   | -   | (1,732,510)  |                       |
| Facilities materials, supplies,<br>& other services | 2,478,359            | -                              | -   | 8,887   | (2,469,472)  |                       |
| Total Primary Government                            | <u>\$ 37,289,026</u> | <u>\$ 564,157</u>              | <u>\$ 6,693,546</u>                               | <u>\$ 78,266</u>                                | <u>(29,953,057)</u>  |                       |
| <b>General Revenues:</b>                            |                      |                                |   |   |  |                       |
| Property taxes:                                     |                      |                                |   |   |  |                       |
| Levied for general purposes                         |                      |                                |   |   |  | 324,580               |
| Levied for debt service                             |                      |                                |   |   |  | 5,924,791             |
| Levied for capital projects                         |                      |                                |   |   |  | 1,431,021             |
| State Equalization Guarantee                        |                      |                                |   |   |  | 21,107,345            |
| Unrestricted Federal grants                         |                      |                                |   |   |  | 798,288               |
| Unrestricted investment earnings                    |                      |                                |   |   |  | 11,205                |
| Gain on disposal of fixed assets                    |                      |                                |   |   |  | 18,256                |
| Miscellaneous                                       |                      |                                |   |   |  | 130,783               |
| Reversion to State                                  |                      |                                |   |   |  | (1,723)               |
| Total general revenues                              |                      |                                |   |   |  | <u>29,744,546</u>     |
| Change in net position                              |                      |                                |   |   |  | (208,511)             |
| Net position - beginning of year                    |                      |                                |   |   |  | <u>(3,764,490)</u>    |
| Net position - end of year                          |                      |                                |   |   |  | <u>\$ (3,973,001)</u> |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 1  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2016

|  | General Fund         |                         |                                     |
|--|----------------------|-------------------------|-------------------------------------|
|  | Operational<br>11000 | Transportation<br>13000 | Instructional<br>Materials<br>14000 |
| <b>ASSETS</b>  |                      |                         |                                     |
| <i>Current assets:</i>   |                      |                         |                                     |
| Cash and temporary investments   | \$ 3,522,912         | \$ 49,238               | \$ 167,135                          |
| Accounts receivable  |                      |                         |                                     |
| Taxes  | 9,197                | -                       | -                                   |
| Due from other governments   | 20,824               | -                       | -                                   |
| Interfund receivables  | 982,399              | -                       | -                                   |
| Other  | 23,253               | -                       | -                                   |
| Inventory  | 106,907              | 161,024                 | -                                   |
| <i>Total assets</i>  | <u>4,665,492</u>     | <u>210,262</u>          | <u>167,135</u>                      |
| <b>LIABILITIES</b>   |                      |                         |                                     |
| <i>Current liabilities:</i>  |                      |                         |                                     |
| Accounts payable   | 92,453               | 48,166                  | -                                   |
| Accrued payroll liabilities  | 717,836              | 4,637                   | -                                   |
| Interfund payables   | -                    | -                       | -                                   |
| Unearned revenue   | -                    | -                       | -                                   |
| <i>Total liabilities</i>   | <u>810,289</u>       | <u>52,803</u>           | <u>-</u>                            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                      |                         |                                     |
| Unavailable revenues - property taxes                                      | 7,072                | -                       | -                                   |
| Unavailable revenues - other   | -                    | -                       | -                                   |
| <i>Total deferred inflows of resources</i>                                 | <u>7,072</u>         | <u>-</u>                | <u>-</u>                            |
| <b>FUND BALANCES</b>   |                      |                         |                                     |
| Nonspendable   | 106,907              | 161,024                 | -                                   |
| Restricted for:  |                      |                         |                                     |
| Transportation   | -                    | -                       | -                                   |
| Instructional materials  | -                    | -                       | -                                   |
| Grant mandates   | -                    | -                       | -                                   |
| Capital projects   | -                    | -                       | -                                   |
| Debt service   | -                    | -                       | -                                   |
| Assigned   | 2,622,084            | -                       | 167,135                             |
| Unassigned   | 1,119,140            | (3,565)                 | -                                   |
| <i>Total fund balances</i>   | <u>3,848,131</u>     | <u>157,459</u>          | <u>167,135</u>                      |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 4,665,492</u>  | <u>\$ 210,262</u>       | <u>\$ 167,135</u>                   |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 1  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2016

|  | Special Revenue          |                                | Capital<br>Improvements<br>SB-9<br>31700 |
|--|--------------------------|--------------------------------|--|
|  | Title I<br>IASA<br>24101 | IDEA-B<br>Entitlement<br>24106 |  |
| <b>ASSETS</b>  |                          |                                |  |
| <i>Current assets:</i>   |                          |                                |  |
| Cash and temporary investments   | \$ -                     | \$ -                           | \$ 2,546,326                             |
| Accounts receivable  |                          |                                |  |
| Taxes  | -                        | -                              | 53,572                                   |
| Due from other governments   | 413,831                  | 317,736                        | 69,379                                   |
| Interfund receivables  | -                        | -                              | -  |
| Other  | -                        | -                              | -  |
| Inventory  | -                        | -                              | -  |
| <i>Total assets</i>  | <u>413,831</u>           | <u>317,736</u>                 | <u>2,669,277</u>                         |
| <b>LIABILITIES</b>   |                          |                                |  |
| <i>Current liabilities:</i>  |                          |                                |  |
| Accounts payable   | 30,729                   | 101,560                        | 169,737                                  |
| Accrued payroll liabilities  | 4,590                    | -                              | -  |
| Interfund payables   | 413,354                  | 317,452                        | -  |
| Unearned revenue   | -                        | -                              | -  |
| <i>Total liabilities</i>   | <u>448,673</u>           | <u>419,012</u>                 | <u>169,737</u>                           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                          |                                |  |
| Unavailable revenues - property taxes  | -                        | -                              | 41,567                                   |
| Unavailable revenues - other   | -                        | -                              | -  |
| <i>Total deferred inflows of resources</i>                                     | <u>-</u>                 | <u>-</u>                       | <u>41,567</u>                            |
| <b>FUND BALANCES</b>   |                          |                                |  |
| Nonspendable   | -                        | -                              | -  |
| Restricted for:  |                          |                                |  |
| Transportation   | -                        | -                              | -  |
| Instructional materials  | -                        | -                              | -  |
| Grant mandates   | -                        | -                              | -  |
| Capital projects   | -                        | -                              | 83,654                                   |
| Debt service   | -                        | -                              | -  |
| Assigned   | -                        | -                              | 2,374,319                                |
| Unassigned   | (34,842)                 | (101,276)                      | -  |
| <i>Total fund balances</i>   | <u>(34,842)</u>          | <u>(101,276)</u>               | <u>2,457,973</u>                         |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <u>\$ 413,831</u>        | <u>\$ 317,736</u>              | <u>\$ 2,669,277</u>                      |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 1  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2016

|  | Debt<br>Service<br>41000 | Other<br>Governmental<br>Funds | Total<br>Primary<br>Government |
|--|--------------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>  |                          |                                |                                |
| <i>Current assets:</i>   |                          |                                |                                |
| Cash and temporary investments   | \$ 6,816,904             | \$ 893,239                     | \$ 13,995,754                  |
| Accounts receivable  |                          |                                |                                |
| Taxes  | 219,749                  | -                              | 282,518                        |
| Due from other governments   | -                        | 376,907                        | 1,198,677                      |
| Interfund receivables  | -                        | 26,455                         | 1,008,854                      |
| Other  | -                        | -                              | 23,253                         |
| Inventory  | -                        | 31,133                         | 299,064                        |
| <i>Total assets</i>  | <u>7,036,653</u>         | <u>1,327,734</u>               | <u>16,808,120</u>              |
| <b>LIABILITIES</b>   |                          |                                |                                |
| <i>Current liabilities:</i>  |                          |                                |                                |
| Accounts payable   | -                        | 36,078                         | 478,723                        |
| Accrued payroll liabilities  | -                        | 15,639                         | 742,702                        |
| Interfund payables   | -                        | 278,048                        | 1,008,854                      |
| Unearned revenue   | -                        | -                              | -                              |
| <i>Total liabilities</i>   | <u>-</u>                 | <u>329,765</u>                 | <u>2,230,279</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                          |                                |                                |
| Unavailable revenues - property taxes  | 169,831                  | -                              | 218,470                        |
| Unavailable revenues - other   | -                        | 6,010                          | 6,010                          |
| <i>Total deferred inflows of resources</i>                                     | <u>169,831</u>           | <u>6,010</u>                   | <u>224,480</u>                 |
| <b>FUND BALANCES</b>   |                          |                                |                                |
| Nonspendable   | -                        | 31,133                         | 299,064                        |
| Restricted for:  |                          |                                |                                |
| Transportation   | -                        | -                              | -                              |
| Instructional materials  | -                        | -                              | -                              |
| Grant mandates   | -                        | 194,121                        | 194,121                        |
| Capital projects   | -                        | -                              | 83,654                         |
| Debt service   | 129,270                  | -                              | 129,270                        |
| Assigned   | 6,737,552                | 793,944                        | 12,695,034                     |
| Unassigned   | -                        | (27,239)                       | 952,218                        |
| <i>Total fund balances</i>   | <u>6,866,822</u>         | <u>991,959</u>                 | <u>14,353,361</u>              |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <u>\$ 7,036,653</u>      | <u>\$ 1,327,734</u>            | <u>\$ 16,808,120</u>           |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 GOVERNMENTAL FUNDS  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2016

Exhibit B-2

|  | <u>Governmental<br/>Funds</u> |
|--|-------------------------------|
| Amounts reported for governmental activities in the Statement of<br>Net Position are different because:  |                               |
| Total fund balances - governmental funds   | \$ 14,353,361                 |
| Capital assets used in governmental activities are not financial resources<br>and therefore are not reported in the funds.   |                               |
| The cost of capital assets is  | 149,754,854                   |
| Accumulated depreciation is  | (81,431,309)                  |
| Contributions to the pension plan are expensed in the governmental funds<br>but are deferred outflows for government-wide statements.  | 2,264,508                     |
| Revenues not collected within sixty days after year-end are considered<br>"available" revenues and are shown as deferred revenues on the balance<br>sheet.   |                               |
| Delinquent property taxes  | 218,470                       |
| State revenues   | 6,010                         |
| Deferred outflows and inflows of resources related to pensions are applicable<br>to future periods and therefore, are not reported in governmental funds.  |                               |
| Deferred outflows of resources related to change in assumptions  | 1,269,600                     |
| Deferred outflows of resources related to change in proportion   | 168,487                       |
| Deferred inflows of resources related to actuarial experience  | (684,315)                     |
| Deferred inflows of resources related to investment experience   | (166,150)                     |
| Deferred inflows of resources related to change in proportion  | (353,506)                     |
| Bond issuance costs, including original issue discounts and premiums are<br>not financial resources and therefore are not reported in the funds.   |                               |
| Bond premiums net of accumulated amortization  | (2,009,221)                   |
| Long-term liabilities, including bonds payable, are not due and payable in the<br>current period and therefore are not reported as liabilities in governmental<br>funds. Long-term and other liabilities at year-end consist of: |                               |
| Accrued interest payable   | (649,817)                     |
| Bonds payable  | (49,520,000)                  |
| Accrued compensated absences   | (281,976)                     |
| Net pension liability  | (36,911,997)                  |
| Total net position - governmental activities   | <u>\$ (3,973,001)</u>         |

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Exhibit B-3

|  | General Fund         |                         |                                     |                          |                                |
|--|----------------------|-------------------------|-------------------------------------|--------------------------|--------------------------------|
|  | Operational<br>11000 | Transportation<br>13000 | Instructional<br>Materials<br>14000 | Title I<br>IASA<br>24101 | IDEA-B<br>Entitlement<br>24106 |
| <i>Revenues:</i>   |                      |                         |                                     |                          |                                |
| District school tax levy   | \$ 323,900           | \$ -                    | \$ -                                | \$ -                     | \$ -                           |
| State grants   | 21,192,092           | 1,102,617               | 214,600                             | -                        | -                              |
| Federal grants   | 651,077              | -                       | -                                   | 1,081,435                | 654,713                        |
| Miscellaneous  | 61,867               | 750                     | -                                   | -                        | -                              |
| Charges for services   | 190,658              | -                       | -                                   | -                        | -                              |
| Investment income  | 3,859                | -                       | -                                   | -                        | -                              |
| <i>Total revenues</i>  | <u>22,423,453</u>    | <u>1,103,367</u>        | <u>214,600</u>                      | <u>1,081,435</u>         | <u>654,713</u>                 |
| <i>Expenditures:</i>   |                      |                         |                                     |                          |                                |
| <i>Current:</i>  |                      |                         |                                     |                          |                                |
| Instruction  | 12,873,778           | -                       | 187,641                             | 711,369                  | 404,744                        |
| Support services   |                      |                         |                                     |                          |                                |
| Students   | 1,638,731            | -                       | -                                   | 75,156                   | 324,075                        |
| Instruction  | 500,159              | -                       | -                                   | 53,402                   | -                              |
| General administration   | 819,711              | -                       | -                                   | 110,387                  | 25,302                         |
| School administration  | 1,961,012            | -                       | -                                   | 143,827                  | -                              |
| Central services   | 737,426              | -                       | -                                   | -                        | -                              |
| Operation & maintenance of plant                                     | 3,054,861            | -                       | -                                   | -                        | -                              |
| Student transportation   | -                    | 1,105,506               | -                                   | -                        | -                              |
| Other support services   | 2,766                | -                       | -                                   | -                        | -                              |
| Food services operations   | -                    | -                       | -                                   | -                        | -                              |
| Community services   | -                    | -                       | -                                   | -                        | 277                            |
| Capital outlay   | -                    | -                       | -                                   | -                        | -                              |
| Debt service   |                      |                         |                                     |                          |                                |
| Principal  | -                    | -                       | -                                   | -                        | -                              |
| Interest   | -                    | -                       | -                                   | -                        | -                              |
| Bond issuance costs  | -                    | -                       | -                                   | -                        | -                              |
| <i>Total expenditures</i>  | <u>21,588,444</u>    | <u>1,105,506</u>        | <u>187,641</u>                      | <u>1,094,141</u>         | <u>754,398</u>                 |
| <i>Excess (deficiency) of revenues<br/>over (under) expenditures</i> | <u>835,009</u>       | <u>(2,139)</u>          | <u>26,959</u>                       | <u>(12,706)</u>          | <u>(99,685)</u>                |
| <i>Other financing sources (uses):</i>                               |                      |                         |                                     |                          |                                |
| Operating transfers / reversions to state                            | -                    | (1,723)                 | -                                   | -                        | -                              |
| <i>Total other financing sources (uses)</i>                          | <u>-</u>             | <u>(1,723)</u>          | <u>-</u>                            | <u>-</u>                 | <u>-</u>                       |
| <i>Net changes in fund balances</i>                                  | 835,009              | (3,862)                 | 26,959                              | (12,706)                 | (99,685)                       |
| <i>Fund balances - beginning of year</i>                             | <u>3,013,122</u>     | <u>161,321</u>          | <u>140,176</u>                      | <u>(22,136)</u>          | <u>(1,591)</u>                 |
| <i>Fund balances - end of year</i>                                   | <u>\$ 3,848,131</u>  | <u>\$ 157,459</u>       | <u>\$ 167,135</u>                   | <u>\$ (34,842)</u>       | <u>\$ (101,276)</u>            |

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|  | Capital<br>Improvements<br>SB-9<br>31700 | Debt<br>Service<br>41000 | Other<br>Governmental<br>Funds | Total<br>Primary<br>Government |
|--|--|--------------------------|--------------------------------|--------------------------------|
| <i>Revenues:</i>   |  |                          |                                |                                |
| District school tax levy   | \$ 1,426,957                             | \$ 5,900,313             | \$ -                           | \$ 7,651,170                   |
| State grants   | 74,403                                   | -                        | 888,350                        | 23,472,062                     |
| Federal grants   | -  | 300,600                  | 2,495,344                      | 5,183,169                      |
| Miscellaneous  | 3,863                                    | -                        | 84,084                         | 150,564                        |
| Charges for services   | -  | -                        | 388,178                        | 578,836                        |
| Investment income  | 2,112                                    | 3,561                    | 1,673                          | 11,205                         |
| <i>Total revenues</i>  | <u>1,507,335</u>                         | <u>6,204,474</u>         | <u>3,857,629</u>               | <u>37,047,006</u>              |
| <i>Expenditures:</i>   |  |                          |                                |                                |
| Current:   |  |                          |                                |                                |
| Instruction  | -  | -                        | 1,273,360                      | 15,450,892                     |
| Support services   |  |                          |                                |                                |
| Students   | -  | -                        | 633,286                        | 2,671,248                      |
| Instruction  | -  | -                        | 7,018                          | 560,579                        |
| General administration   | 9,367                                    | 39,299                   | 34,282                         | 1,038,348                      |
| School administration  | -  | -                        | 182,278                        | 2,287,117                      |
| Central services   | -  | -                        | -                              | 737,426                        |
| Operation & maintenance of plant                                     | -  | -                        | -                              | 3,054,861                      |
| Student transportation   | -  | -                        | 42,332                         | 1,147,838                      |
| Other support services   | -  | -                        | -                              | 2,766                          |
| Food services operations   | -  | -                        | 1,712,518                      | 1,712,518                      |
| Community services   | -  | -                        | 1,874                          | 2,151                          |
| Capital outlay   | 2,242,877                                | -                        | 269,578                        | 2,512,455                      |
| Debt service   |  |                          |                                |                                |
| Principal  | -  | 4,190,000                | -                              | 4,190,000                      |
| Interest   | -  | 2,033,110                | -                              | 2,033,110                      |
| Bond issuance costs  | -  | -                        | -                              | -                              |
| <i>Total expenditures</i>  | <u>2,252,244</u>                         | <u>6,262,409</u>         | <u>4,156,526</u>               | <u>37,401,309</u>              |
| <i>Excess (deficiency) of revenues<br/>over (under) expenditures</i> | <u>(744,909)</u>                         | <u>(57,935)</u>          | <u>(298,897)</u>               | <u>(354,303)</u>               |
| <i>Other financing sources (uses):</i>                               |  |                          |                                |                                |
| Operating transfers / reversions to state                            | -  | -                        | -                              | (1,723)                        |
| <i>Total other financing sources (uses)</i>                          | <u>-</u>                                 | <u>-</u>                 | <u>-</u>                       | <u>(1,723)</u>                 |
| <i>Net changes in fund balances</i>                                  | (744,909)                                | (57,935)                 | (298,897)                      | (356,026)                      |
| <i>Fund balances - beginning of year</i>                             | <u>3,202,882</u>                         | <u>6,924,757</u>         | <u>1,290,856</u>               | <u>14,709,387</u>              |
| <i>Fund balances - end of year</i>                                   | <u>\$ 2,457,973</u>                      | <u>\$ 6,866,822</u>      | <u>\$ 991,959</u>              | <u>\$ 14,353,361</u>           |

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



STATE OF NEW MEXICO

Exhibit B-4

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2016

|  | Governmental<br>Funds |
|--|-----------------------|
| Amounts reported for governmental activities in the Statement of Activities<br>are different because:  |                       |
| Net change in fund balances - total governmental funds   | \$ (356,026)          |
| Capital outlays to purchase or build capital assets are reported in governmental<br>funds as expenditures. However, for governmental activities those costs are<br>shown in the Statement of Net Position and allocated over their estimated useful<br>lives as annual depreciation expenses in the Statement of Activities. This is the<br>amount by which depreciation exceeds capital outlays for the period. |                       |
| Depreciation expense   | (3,930,205)           |
| Capital outlays  | 354,979               |
| Revenues not collected within 60 days after the fiscal year-end are not considered<br>available revenues in the governmental funds. They are considered revenues<br>in the Statement of Activities. The increase (decrease) in revenues receivable<br>for the year end were:   |                       |
| Unavailable revenue related to the property taxes receivable   | 29,222                |
| Other unavailable revenues   | 6,010                 |
| In the Statement of Activities, certain operating expenses - compensated absences<br>and interest expense - are measured by the amounts incurred during the year.<br>In the fund financial statements, however, expenditures are measured by the amount<br>of financial resources used (essentially the amounts actually paid). The (increases)<br>decreases in the liabilities for the year were:               |                       |
| Accrued interest payable   | (294,162)             |
| Accrued compensated absences   | (35,723)              |
| Repayment of debt principal is an expenditure in the governmental funds, but it reduces<br>long-term liabilities in the Statement of Net Position and does not affect the<br>Statement of Activities.  |                       |
| Bond principle payments  | 4,190,000             |
| Bonds are refunded when a financial advantage would result to the District. The resulting<br>savings is capitalized as a deferred gain and is amortized over the life of the new bonds.<br>This amortization will be recorded in the Statement of Activities.  |                       |
| Amortization of underwriter premiums   | 328,258               |
| Governmental funds report district pension contributions as expenditures.<br>However, in the Statement of Activities, the pension benefits earned net of<br>employee contributions is reported as pension expense.   |                       |
| Difference between prior year pension contributions per<br>entity and amount reported in the pension report  | 9,530                 |
| Pension contributions - current year   | 2,264,508             |
| Pension expense  | (2,774,902)           |
| Change in net position - total governmental activities   | \$ (208,511)          |

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**OPERATIONAL FUND (11000)**  
**FOR THE YEAR ENDING JUNE 30, 2016**

|  | Budgeted Amounts   |                    |                     |                     |
|--|--------------------|--------------------|---------------------|---------------------|
|  | Original Budget    | Final Budget       | Actual              | Variance            |
| <i>Revenues:</i>   |                    |                    |                     |                     |
| District school tax levy   | \$ 359,044         | \$ 359,044         | \$ 333,261          | \$ (25,783)         |
| State grants   | 21,067,069         | 21,182,377         | 21,174,327          | (8,050)             |
| Federal grants   | 592,293            | 592,293            | 651,073             | 58,780              |
| Miscellaneous  | 51,700             | 51,700             | 134,912             | 83,212              |
| Charges for services   | 173,683            | 173,683            | 200,225             | 26,542              |
| Investment income  | 2,000              | 2,000              | 3,859               | 1,859               |
| <i>Total revenues</i>  | <u>22,245,789</u>  | <u>22,361,097</u>  | <u>22,497,657</u>   | <u>136,560</u>      |
| <i>Expenditures:</i>   |                    |                    |                     |                     |
| <i>Current:</i>  |                    |                    |                     |                     |
| Instruction  | 15,030,095         | 15,255,211         | 12,890,248          | 2,364,963           |
| Support services   |                    |                    |                     |                     |
| Students   | 1,922,167          | 2,066,672          | 1,638,731           | 427,941             |
| Instruction  | 666,029            | 713,503            | 504,044             | 209,459             |
| General administration   | 800,498            | 925,395            | 829,652             | 95,743              |
| School administration  | 1,984,427          | 1,974,152          | 1,958,737           | 15,415              |
| Central services   | 759,812            | 746,756            | 736,569             | 10,187              |
| Operation & maintenance of plant                                 | 3,513,137          | 3,569,517          | 3,016,103           | 553,414             |
| Student transportation   | -                  | -                  | -                   | -                   |
| Other support services   | 109,106            | 55,138             | 16,419              | 38,719              |
| Food services operations   | -                  | -                  | -                   | -                   |
| Community services   | -                  | -                  | -                   | -                   |
| Capital outlay   | -                  | -                  | -                   | -                   |
| Debt service   |                    |                    |                     |                     |
| Principal  | -                  | -                  | -                   | -                   |
| Interest   | -                  | -                  | -                   | -                   |
| <i>Total expenditures</i>  | <u>24,785,271</u>  | <u>25,306,344</u>  | <u>21,590,503</u>   | <u>3,715,841</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(2,539,482)</u> | <u>(2,945,247)</u> | <u>907,154</u>      | <u>3,852,401</u>    |
| <i>Other financing sources (uses):</i>                           |                    |                    |                     |                     |
| Designated cash  | 2,539,482          | 2,945,247          | -                   | (2,945,247)         |
| Operating transfers  | -                  | -                  | -                   | -                   |
| Proceeds from bond issues  | -                  | -                  | -                   | -                   |
| <i>Total other financing sources (uses)</i>                      | <u>2,539,482</u>   | <u>2,945,247</u>   | <u>-</u>            | <u>(2,945,247)</u>  |
| <i>Net change in fund balance</i>                                | <u>-</u>           | <u>-</u>           | <u>907,154</u>      | <u>907,154</u>      |
| <i>Cash or fund balance - beginning of year</i>                  | <u>-</u>           | <u>-</u>           | <u>3,598,157</u>    | <u>3,598,157</u>    |
| Prior period adjustments   | <u>-</u>           | <u>-</u>           | <u>-</u>            | <u>-</u>            |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>           | <u>-</u>           | <u>3,598,157</u>    | <u>3,598,157</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 4,505,311</u> | <u>\$ 4,505,311</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                    |                    |                     |                     |
| Net change in fund balance (cash basis)                          |                    |                    | \$ 907,154          |                     |
| Adjustments to revenues  |                    |                    | (74,204)            |                     |
| Adjustments to expenditures                                      |                    |                    | 2,059               |                     |
| Net change in fund balance (GAAP basis)                          |                    |                    | <u>\$ 835,009</u>   |                     |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 TRANSPORTATION FUND (13000)  
 FOR THE YEAR ENDING JUNE 30, 2016

Exhibit C-2

|  | Budgeted Amounts |                  |                   |                  |
|--|------------------|------------------|-------------------|------------------|
|  | Original Budget  | Final Budget     | Actual            | Variance         |
| <i>Revenues:</i>   |                  |                  |                   |                  |
| District school tax levy   | \$ -             | \$ -             | \$ -              | \$ -             |
| State grants   | 1,073,369        | 1,102,617        | 1,102,617         | -                |
| Federal grants   | -                | -                | -                 | -                |
| Miscellaneous  | -                | 750              | 750               | -                |
| Charges for services   | -                | -                | -                 | -                |
| Investment income  | -                | -                | -                 | -                |
| <i>Total revenues</i>  | <u>1,073,369</u> | <u>1,103,367</u> | <u>1,103,367</u>  | <u>-</u>         |
| <i>Expenditures:</i>   |                  |                  |                   |                  |
| <i>Current:</i>  |                  |                  |                   |                  |
| Instruction  | -                | -                | -                 | -                |
| Support services   |                  |                  |                   |                  |
| Students   | -                | -                | -                 | -                |
| Instruction  | -                | -                | -                 | -                |
| General administration   | -                | -                | -                 | -                |
| School administration  | -                | -                | -                 | -                |
| Central services   | -                | -                | -                 | -                |
| Operation & maintenance of plant                                 | -                | -                | -                 | -                |
| Student transportation   | 1,073,369        | 1,270,512        | 1,220,643         | 49,869           |
| Other support services   | -                | -                | -                 | -                |
| Food services operations   | -                | -                | -                 | -                |
| Community services   | -                | -                | -                 | -                |
| Capital outlay   | -                | -                | -                 | -                |
| Debt service   |                  |                  |                   |                  |
| Principal  | -                | -                | -                 | -                |
| Interest   | -                | -                | -                 | -                |
| <i>Total expenditures</i>  | <u>1,073,369</u> | <u>1,270,512</u> | <u>1,220,643</u>  | <u>49,869</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>(167,145)</u> | <u>(117,276)</u>  | <u>49,869</u>    |
| <i>Other financing sources (uses):</i>                           |                  |                  |                   |                  |
| Designated cash  | -                | 167,145          | -                 | (167,145)        |
| Operating transfers  | -                | -                | (1,723)           | (1,723)          |
| Proceeds from bond issues  | -                | -                | -                 | -                |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>167,145</u>   | <u>(1,723)</u>    | <u>(168,868)</u> |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>         | <u>(118,999)</u>  | <u>(118,999)</u> |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -                | 168,237           | 168,237          |
| Prior period adjustments   | -                | -                | -                 | -                |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>         | <u>168,237</u>    | <u>168,237</u>   |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 49,238</u>  | <u>\$ 49,238</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                  |                   |                  |
| Net change in fund balance (cash basis)                          |                  |                  | \$ (118,999)      |                  |
| Adjustments to revenues  |                  |                  | -                 |                  |
| Adjustments to expenditures                                      |                  |                  | 115,137           |                  |
| Net change in fund balance (GAAP basis)                          |                  |                  | <u>\$ (3,862)</u> |                  |

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**INSTRUCTIONAL MATERIALS FUND (14000)**  
**FOR THE YEAR ENDING JUNE 30, 2016**

|  | <u>Budgeted Amounts</u> |                     |                   |                   |
|--|-------------------------|---------------------|-------------------|-------------------|
|  | <u>Original Budget</u>  | <u>Final Budget</u> | <u>Actual</u>     | <u>Variance</u>   |
| <i>Revenues:</i>   |                         |                     |                   |                   |
| District school tax levy   | \$ -                    | \$ -                | \$ -              | \$ -              |
| State grants   | 165,654                 | 214,600             | 214,600           | -                 |
| Federal grants   | -                       | -                   | -                 | -                 |
| Miscellaneous  | -                       | -                   | -                 | -                 |
| Charges for services   | -                       | -                   | -                 | -                 |
| Investment income  | -                       | -                   | -                 | -                 |
| <i>Total revenues</i>  | <u>165,654</u>          | <u>214,600</u>      | <u>214,600</u>    | <u>-</u>          |
| <i>Expenditures:</i>   |                         |                     |                   |                   |
| <i>Current:</i>  |                         |                     |                   |                   |
| Instruction  | 287,912                 | 354,776             | 187,641           | 167,135           |
| Support services   |                         |                     |                   |                   |
| Students   | -                       | -                   | -                 | -                 |
| Instruction  | -                       | -                   | -                 | -                 |
| General administration   | -                       | -                   | -                 | -                 |
| School administration  | -                       | -                   | -                 | -                 |
| Central services   | -                       | -                   | -                 | -                 |
| Operation & maintenance of plant                                 | -                       | -                   | -                 | -                 |
| Student transportation   | -                       | -                   | -                 | -                 |
| Other support services   | -                       | -                   | -                 | -                 |
| Food services operations   | -                       | -                   | -                 | -                 |
| Community services   | -                       | -                   | -                 | -                 |
| Capital outlay   | -                       | -                   | -                 | -                 |
| Debt service   |                         |                     |                   |                   |
| Principal  | -                       | -                   | -                 | -                 |
| Interest   | -                       | -                   | -                 | -                 |
| <i>Total expenditures</i>  | <u>287,912</u>          | <u>354,776</u>      | <u>187,641</u>    | <u>167,135</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(122,258)</u>        | <u>(140,176)</u>    | <u>26,959</u>     | <u>167,135</u>    |
| <i>Other financing sources (uses):</i>                           |                         |                     |                   |                   |
| Designated cash  | 122,258                 | 140,176             | -                 | (140,176)         |
| Operating transfers  | -                       | -                   | -                 | -                 |
| Proceeds from bond issues  | -                       | -                   | -                 | -                 |
| <i>Total other financing sources (uses)</i>                      | <u>122,258</u>          | <u>140,176</u>      | <u>-</u>          | <u>(140,176)</u>  |
| <i>Net change in fund balance</i>                                | <u>-</u>                | <u>-</u>            | <u>26,959</u>     | <u>26,959</u>     |
| <i>Cash or fund balance - beginning of year</i>                  | -                       | -                   | 140,176           | 140,176           |
| Prior period adjustments   | -                       | -                   | -                 | -                 |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>                | <u>-</u>            | <u>140,176</u>    | <u>140,176</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 167,135</u> | <u>\$ 167,135</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                         |                     |                   |                   |
| Net change in fund balance (cash basis)                          |                         |                     | \$ 26,959         |                   |
| Adjustments to revenues  |                         |                     | -                 |                   |
| Adjustments to expenditures                                      |                         |                     | -                 |                   |
| Net change in fund balance (GAAP basis)                          |                         |                     | <u>\$ 26,959</u>  |                   |

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**TITLE I IASA SPECIAL REVENUE FUND (24101)**  
**FOR THE YEAR ENDING JUNE 30, 2016**

|  | <u>Budgeted Amounts</u> |                     |                     |                     |
|--|-------------------------|---------------------|---------------------|---------------------|
|  | <u>Original Budget</u>  | <u>Final Budget</u> | <u>Actual</u>       | <u>Variance</u>     |
| <i>Revenues:</i>   |                         |                     |                     |                     |
| District school tax levy   | \$ -                    | \$ -                | \$ -                | \$ -                |
| State grants   | -                       | -                   | -                   | -                   |
| Federal grants   | 1,114,567               | 1,371,691           | 957,710             | (413,981)           |
| Miscellaneous  | -                       | -                   | -                   | -                   |
| Charges for services   | -                       | -                   | -                   | -                   |
| Investment income  | -                       | -                   | -                   | -                   |
| <i>Total revenues</i>  | <u>1,114,567</u>        | <u>1,371,691</u>    | <u>957,710</u>      | <u>(413,981)</u>    |
| <i>Expenditures:</i>   |                         |                     |                     |                     |
| <i>Current:</i>  |                         |                     |                     |                     |
| Instruction  | 703,370                 | 957,154             | 733,586             | 223,568             |
| Support services   |                         |                     |                     |                     |
| Students   | 91,712                  | 110,090             | 73,471              | 36,619              |
| Instruction  | 39,982                  | 53,529              | 53,402              | 127                 |
| General administration   | 115,435                 | 125,776             | 110,387             | 15,389              |
| School administration  | 164,068                 | 125,142             | 110,193             | 14,949              |
| Central services   | -                       | -                   | -                   | -                   |
| Operation & maintenance of plant                                 | -                       | -                   | -                   | -                   |
| Student transportation   | -                       | -                   | -                   | -                   |
| Other support services   | -                       | -                   | -                   | -                   |
| Food services operations   | -                       | -                   | -                   | -                   |
| Community services   | -                       | -                   | -                   | -                   |
| Capital outlay   | -                       | -                   | -                   | -                   |
| Debt service   |                         |                     |                     |                     |
| Principal  | -                       | -                   | -                   | -                   |
| Interest   | -                       | -                   | -                   | -                   |
| <i>Total expenditures</i>  | <u>1,114,567</u>        | <u>1,371,691</u>    | <u>1,081,039</u>    | <u>290,652</u>      |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>                | <u>-</u>            | <u>(123,329)</u>    | <u>(123,329)</u>    |
| <i>Other financing sources (uses):</i>                           |                         |                     |                     |                     |
| Designated cash  | -                       | -                   | -                   | -                   |
| Operating transfers  | -                       | -                   | -                   | -                   |
| Proceeds from bond issues  | -                       | -                   | -                   | -                   |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>                | <u>-</u>            | <u>-</u>            | <u>-</u>            |
| <i>Net change in fund balance</i>                                | <u>-</u>                | <u>-</u>            | <u>(123,329)</u>    | <u>(123,329)</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | <u>-</u>                | <u>-</u>            | <u>(290,025)</u>    | <u>(290,025)</u>    |
| Prior period adjustments   | -                       | -                   | -                   | -                   |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>                | <u>-</u>            | <u>(290,025)</u>    | <u>(290,025)</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ (413,354)</u> | <u>\$ (413,354)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                         |                     |                     |                     |
| Net change in fund balance (cash basis)                          |                         |                     | \$ (123,329)        |                     |
| Adjustments to revenues  |                         |                     | 123,725             |                     |
| Adjustments to expenditures                                      |                         |                     | (13,102)            |                     |
| Net change in fund balance (GAAP basis)                          |                         |                     | <u>\$ (12,706)</u>  |                     |

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**IDEA-B ENTITLEMENT SPECIAL REVENUE FUND (24106)**  
**FOR THE YEAR ENDING JUNE 30, 2016**

|  | <u>Budgeted Amounts</u> |                     |                     |                     |
|--|-------------------------|---------------------|---------------------|---------------------|
|  | <u>Original Budget</u>  | <u>Final Budget</u> | <u>Actual</u>       | <u>Variance</u>     |
| <i>Revenues:</i>   |                         |                     |                     |                     |
| District school tax levy   | \$ -                    | \$ -                | \$ -                | \$ -                |
| State grants   | -                       | -                   | -                   | -                   |
| Federal grants   | 699,461                 | 960,290             | 446,067             | (514,223)           |
| Miscellaneous  | -                       | -                   | -                   | -                   |
| Charges for services   | -                       | -                   | -                   | -                   |
| Investment income  | -                       | -                   | -                   | -                   |
| <i>Total revenues</i>  | <u>699,461</u>          | <u>960,290</u>      | <u>446,067</u>      | <u>(514,223)</u>    |
| <i>Expenditures:</i>   |                         |                     |                     |                     |
| <i>Current:</i>  |                         |                     |                     |                     |
| Instruction  | 338,165                 | 487,058             | 364,549             | 122,509             |
| Support services   |                         |                     |                     |                     |
| Students   | 337,000                 | 437,730             | 264,338             | 173,392             |
| Instruction  | -                       | -                   | -                   | -                   |
| General administration   | 24,296                  | 35,224              | 25,302              | 9,922               |
| School administration  | -                       | -                   | -                   | -                   |
| Central services   | -                       | -                   | -                   | -                   |
| Operation & maintenance of plant                                 | -                       | -                   | -                   | -                   |
| Student transportation   | -                       | -                   | -                   | -                   |
| Other support services   | -                       | -                   | -                   | -                   |
| Food services operations   | -                       | -                   | -                   | -                   |
| Community services   | -                       | 278                 | 277                 | 1                   |
| Capital outlay   | -                       | -                   | -                   | -                   |
| Debt service   |                         |                     |                     |                     |
| Principal  | -                       | -                   | -                   | -                   |
| Interest   | -                       | -                   | -                   | -                   |
| <i>Total expenditures</i>  | <u>699,461</u>          | <u>960,290</u>      | <u>654,466</u>      | <u>305,824</u>      |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>                | <u>-</u>            | <u>(208,399)</u>    | <u>(208,399)</u>    |
| <i>Other financing sources (uses):</i>                           |                         |                     |                     |                     |
| Designated cash  | -                       | -                   | -                   | -                   |
| Operating transfers  | -                       | -                   | -                   | -                   |
| Proceeds from bond issues  | -                       | -                   | -                   | -                   |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>                | <u>-</u>            | <u>-</u>            | <u>-</u>            |
| <i>Net change in fund balance</i>                                | <u>-</u>                | <u>-</u>            | <u>(208,399)</u>    | <u>(208,399)</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | <u>-</u>                | <u>-</u>            | <u>(109,053)</u>    | <u>(109,053)</u>    |
| Prior period adjustments   | -                       | -                   | -                   | -                   |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>                | <u>-</u>            | <u>(109,053)</u>    | <u>(109,053)</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ (317,452)</u> | <u>\$ (317,452)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                         |                     |                     |                     |
| Net change in fund balance (cash basis)                          |                         |                     | \$ (208,399)        |                     |
| Adjustments to revenues  |                         |                     | 208,646             |                     |
| Adjustments to expenditures                                      |                         |                     | (99,932)            |                     |
| Net change in fund balance (GAAP basis)                          |                         |                     | <u>\$ (99,685)</u>  |                     |

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

**STATE OF NEW MEXICO**  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
AGENCY FUNDS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2016

Exhibit D-1

|                                   | <u>Agency<br/>Funds</u> |
|-----------------------------------|-------------------------|
| <b>ASSETS</b>                     |                         |
| <i>Current assets</i>             |                         |
| Cash                              | \$ 267,606              |
| <i>Total assets</i>               | <u>267,606</u>          |
| <br><b>LIABILITIES</b>            |                         |
| <i>Current liabilities</i>        |                         |
| Deposits held in trust for others | <u>267,606</u>          |
| <i>Total liabilities</i>          | <u>\$ 267,606</u>       |

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

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**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1**            **Summary of Significant Accounting Policies**

Bloomfield Municipal School District No. 6 (the “District”) is a public school District governed by an elected five-member Board of Education created under the provision of Chapter 22 Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District boundaries. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of the District’s management that is responsible for the financial statements. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their government-wide financial statements, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

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

A.            *Financial Reporting Entity*

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

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

A.      *Financial Reporting Entity (Continued)*

Based upon the application of these criteria, the District does not have a component unit and is not a component unit of another government agency.

B.      *Government-wide and Fund Financial Statements*

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

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

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

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

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

C.      *Measurement focus, basis of accounting, and financial statement presentation*

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

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

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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

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

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

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

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

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

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

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

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

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

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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

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

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

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

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

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

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

The *IDEA-B Entitlement Special Revenue Fund* (24106) accounts for a program funded by a federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

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

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

*C. Measurement focus, basis of accounting, and financial statement presentation (continued)*

Additionally, the government reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

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

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

**STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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

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

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

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

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

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

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

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

|                                 |             |
|---------------------------------|-------------|
| Land improvements               | 10-30 years |
| Buildings/building improvements | 20-50 years |
| Furniture and equipment         | 5-25 years  |
| Vehicles                        | 7-12 years  |

**Deferred Outflows of Resources – Pensions:** The government-wide financial statements report pension related expenses and liabilities for the cost-sharing plan one year in arrears, i.e. expenses and liabilities as of June 30, 2015. Contributions of \$2,264,508 made by the District in the current fiscal year are thus applicable to a future reporting period where they will then be expensed. As such, they are presented in the Statement of Net Position as a deferred outflow of resources in the current period. The District may also have three other deferred outflows which arise due to the implementation of GASB 68; change in assumptions \$1,269,600; change in investment experience (netted with deferred outflows); and change in proportion \$168,487.

**Unearned Revenues:** The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. At June 30, 2016, the District had no unearned revenues.

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

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

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

**Compensated Absences:** Applicable for employees not represented by ZFUSE. Vacation leave (annual leave) is an accrued and authorized absence for rest, recreation, or other purposes. Vacation leave will be approved and granted after its accrual and not in advance of accrual. If workloads disallow vacation, the Superintendent may approve vacation days to carry forward into the next contract year. Upon the end of the employment contract, no payment shall be made for more than twenty (20) days of unused vacation (annual leave) for twelve (12) month employees. Total compensated absences were \$281,976 at June 30, 2016.

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

**Long-term Obligations:** In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. For bonds issued after the fiscal year ended June 30, 2004, bond premiums and discounts, will be deferred and amortized over the life of the bonds using the effective interest method. Bonds payable of \$49,520,000 as of June 30, 2016 are reported net of the applicable bond premium or discount. Bond insurance issuance costs will be reported as deferred charges and amortized over the term of the related debt.

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

**Net Pension Liability:** The District records its proportionate share of the difference between the value of total pension liabilities and plan assets for the State of New Mexico's Employee Retirement Board pension plan. For the year ended June 30, 2016, the net pension liability totaled \$36,911,997.

**Deferred Inflows of Resources – Unavailable Revenues:** Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Revenues not received within sixty (60) days of year-end are not considered available; therefore, a receivable is recorded for the amount due and a corresponding deferred revenue, is recorded as well. Total unavailable revenues of \$218,470 for property taxes and \$6,010 for grants were recorded at June 30, 2016.

**Deferred Inflows of Resources - Pensions:** Change actuarial experience \$684,315, change in investment experience \$166,150 (netted with outflows), and change in proportion \$353,506 for the District are applicable to a future reporting period and will be expensed over a established period beginning in the next fiscal year. As such, these amounts are presented in the Statement of Net Position as deferred inflows of resources in the current period.

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

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

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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

Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position

*Restricted Net Position:* Consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (b) 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. The restricted component consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

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

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

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

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

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

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

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

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



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

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

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

*E.      Revenues*

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

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

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

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

**State Equalization Guarantee:** School districts in the State of New Mexico receive a ‘state equalization guarantee distribution’ which is defined as “that amount of money distributed to each school district to insure that the school district’s operating revenue, including its local and federal revenues as defined in Chapter 22, Section 825, NMSA 1978 is at least equal to the 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 \$21,107,345 in state equalization guarantee distributions during the year ended June 30, 2016.

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1 of each year and are payable in two equal installments, on November 10<sup>th</sup> of the year in which the tax bill is prepared and April 10<sup>th</sup> of the following year with the levies becoming delinquent 30 days (one month) thereafter. In the government-wide financial statements, the District recognizes property tax revenues in the period for which they are levied, net of estimated refunds and uncollectible amounts. The District records only the portion of the taxes considered to be ‘measurable’ and ‘available’ in the government fund financial statements, which is within 60 days of year-end. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
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**JUNE 30, 2016**

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

*E. Revenues (Continued)*

In the financial statements, the mill levy and ad-valorem taxes are broken out into two types: property taxes – residential and commercial and property taxes – oil and gas. Amounts collected from residential and commercial property taxes at June 30, 2016 were \$5,085,459. Amounts collected from oil and gas taxes were \$2,565,711.

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,102,617 in transportation distributions during the year ended June 30, 2016.

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education “State Adopted Instructional Material” list, while fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2016 totaled \$214,600.

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

The District received \$74,403 in state SB-9 matching during the year ended June 30, 2016.

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

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

During the year ended June 30, 2016, the District received no special capital outlay funds.

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

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**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
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**JUNE 30, 2016**

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

*E.      Revenues (Continued)*

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

**NOTE 2      Stewardship, Compliance and Accountability**

*Budgetary Information*

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

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

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

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

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 2      Stewardship, Compliance and Accountability (Continued)**

*Budgetary Information (Continued)*

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

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

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

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

**NOTE 3      Cash and Cash Equivalents**

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

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

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

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.

**STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 3 Cash and Cash Equivalents (Continued)**

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

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

**Deposits**

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

|   | Citizens<br>Bank    | Bank of<br>Albuquerque | Total                |
|---|---------------------|------------------------|----------------------|
| Total amounts of deposits                                 | \$ 14,293,561       | \$ 400,040             | \$ 14,693,601        |
| FDIC coverage   | 250,000             | 250,000                | \$ 500,000           |
| Total uninsured public funds                              | <u>14,043,561</u>   | <u>150,040</u>         | <u>14,193,601</u>    |
| Collateral requirement (50% of<br>uninsured public funds) | 7,021,781           | 75,020                 | 7,096,801            |
| Pledged security  | <u>9,412,100</u>    | <u>11,299,115</u>      | <u>\$ 20,711,215</u> |
| Total over (under) collateralized                         | <u>\$ 2,390,319</u> | <u>\$ 11,224,095</u>   | <u>\$ 13,614,414</u> |

The funds are maintained in interest bearing and non-interest bearing checking and savings accounts in Citizens Bank and in interest bearing trust funds in Bank of Albuquerque.

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

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

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

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

At June 30, 2016, \$14,193,601 of the District's bank balance of \$14,693,601 was exposed to custodial credit risk as it was uninsured and the collateral was not held in the District's name.

**STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 3 Cash and Cash Equivalents (Continued)**

**Reconciliation of Cash to the Financial Statements**

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

| Reconciliation to Statement of Net Position                |                             |
|--|-----------------------------|
| Governmental Funds - Balance Sheet                         |                             |
| Cash and cash equivalents per Exhibit A-1                  | \$ 13,995,754               |
| Statement of Fiduciary Net Position - cash per Exhibit D-1 | <u>267,606</u>              |
| Total per financial statements                             | 14,263,360                  |
| Less petty cash  | (250)                       |
| Add outstanding checks and other reconciling items         | <u>430,491</u>              |
| Bank balance of deposits                                   | <u><u>\$ 14,693,601</u></u> |

The District utilized pooled accounts for their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts should be reclassified as due to/due from accounts in the combining balance sheets at June 30, 2016. Funds 24000 through 25000 are federal funds, 27000 funds are non-federal funds. The following individual funds had negative cash balances as of June 30, 2016:

| Fund# | Special Revenue Funds:                          |                            |
|-------|---|----------------------------|
| 24101 | Title I IASA                                    | \$ 413,354                 |
| 24106 | IDEA-B Entitlement                              | 317,452                    |
| 24108 | New Mexico Autism Project                       | 32                         |
| 24109 | IDEA-B Preschool                                | 20,761                     |
| 24118 | Fresh Fruits and Vegetables                     | 26,455                     |
| 24132 | IDEA-B Results Plan                             | 7,803                      |
| 24153 | English Language Acquisition                    | 11,607                     |
| 24154 | Teacher/Principal Training & Recruiting         | 17,552                     |
| 24162 | Title I School Improvement                      | 817                        |
| 24176 | Carl D Perkins Secondary Redistribution         | 1,136                      |
| 25131 | Johnson O'Malley                                | 12,351                     |
| 25184 | Indian Ed Formula Grant                         | 16,611                     |
| 27107 | 2012 GO Bond Student Library Fund (SB66)        | 4,737                      |
| 27114 | New Mexico Reads to Lead K-3 Reading Initiative | 1,080                      |
| 27141 | Truancy Initiative                              | 12,830                     |
| 27149 | PreK Initiative                                 | 95,130                     |
| 27150 | Indian Education Act                            | 9,584                      |
| 27194 | Social Workers for Middle Schools               | 9,097                      |
| 27195 | Teachers "hard to staff" Stipends               | 25,990                     |
|       | Total   | <u><u>\$ 1,004,379</u></u> |

**STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 4      Receivables**

Receivables as of June 30, 2016 are as follows:

|                            | Major Funds          |                          |                                |                             |                          |                                | Total<br>Governmental<br>Funds |
|----------------------------|----------------------|--------------------------|--------------------------------|-----------------------------|--------------------------|--------------------------------|--------------------------------|
|                            | Operational<br>11000 | Title I<br>IASA<br>24101 | IDEA-B<br>Entitlement<br>24106 | Cap. Impr.<br>SB-9<br>31700 | Debt<br>Service<br>41000 | Other<br>Governmental<br>Funds |                                |
| Property taxes             | \$ 9,197             | \$ -                     | \$ -                           | \$ 53,572                   | \$ 219,749               | -                              | \$ 282,518                     |
| Due from other governments | 20,824               | 413,831                  | 317,736                        | 69,379                      | -                        | 376,907                        | 1,198,677                      |
| Other                      | 23,253               | -                        | -                              | -                           | -                        | -                              | 23,253                         |
| <b>Total receivables</b>   | <b>\$ 53,274</b>     | <b>\$ 413,831</b>        | <b>\$ 317,736</b>              | <b>\$ 122,951</b>           | <b>\$ 219,749</b>        | <b>\$ 376,907</b>              | <b>\$ 1,504,448</b>            |

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$218,470 and grant revenues of \$6,010 were not collected within the period of availability.

**STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 5 Interfund Receivables, Payables, and Transfers**

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

| <b>Governmental Activities</b>                    | <u>Interfund<br/>Receivables</u> | <u>Interfund<br/>Payables</u> |
|---|----------------------------------|-------------------------------|
| <b>Major Funds:</b>                               |                                  |                               |
| Operational (11000)                               | \$ 982,399                       | \$ -                          |
| Title IIASA (24101)                               | -                                | 413,354                       |
| <b>Non-major Funds:</b>                           |                                  |                               |
| Food Services (21000)                             | 26,455                           |                               |
| IDEA B Entitlement (24106)                        | -                                | 317,452                       |
| New Mexico Autism Project (24108)                 | -                                | 32                            |
| IDEA B Preschool (24109)                          | -                                | 20,761                        |
| Fresh Fruits and Vegetables (24118)               | -                                | 26,455                        |
| IDEA B Results Plan (24132)                       | -                                | 7,803                         |
| English Language Acquisition (24153)              | -                                | 11,607                        |
| Teacher/Principal Training & Recruiting (24154)   | -                                | 17,552                        |
| Title I School Improvement (24162)                | -                                | 817                           |
| Carl D. Perkins Secondary Current (24176)         | -                                | 1,136                         |
| Johnson O'Malley (25131)                          | -                                | 12,351                        |
| Indian Ed Formula Grant (25184)                   | -                                | 16,611                        |
| 2012 GO Bonds Student Library Fund (SB66) (27107) | -                                | 4,737                         |
| NM Reads to Lead K-3 Initiative (27114)           | -                                | 1,080                         |
| Truancy Initiative (27141)                        | -                                | 12,830                        |
| PreK Initiative (27149)                           | -                                | 95,130                        |
| Indian Education Act (27150)                      | -                                | 9,584                         |
| Social Workers for Middle Schools (27194)         | -                                | 13,572                        |
| Teachers "Hard to Staff" Stipends (27195)         | \$ -                             | \$ 25,990                     |
| <b>Totals</b>                                     | <u>\$ 1,008,854</u>              | <u>\$ 1,008,854</u>           |

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

During the year ended June 30, 2016, the District reverted \$1,723 from the Transportation Fund (13000) to the State of New Mexico.



**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 6 Capital Assets**

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

| Capital assets used in governmental activities: | Balance<br>June 30, 2015 | Additions             | Deletions        | Balance<br>June 30, 2016 |
|---|--------------------------|-----------------------|------------------|--------------------------|
| Capital assets not being depreciated:           |                          |                       |                  |                          |
| Land  | \$ 4,164,172             | \$ -                  | \$ -             | \$ 4,164,172             |
| Construction in progress                        | -                        | -                     | -                | -                        |
| Total capital assets not being depreciated      | <u>4,164,172</u>         | <u>-</u>              | <u>-</u>         | <u>4,164,172</u>         |
| Capital assets being depreciated:               |                          |                       |                  |                          |
| Land improvements                               | 4,716,128                | -                     | -                | 4,716,128                |
| Buildings and building improvements             | 132,283,414              | -                     | -                | 132,283,414              |
| Furniture, fixtures, and equipment              | 8,599,818                | 354,979               | (363,657)        | 8,591,140                |
| Vehicles  | -                        | -                     | -                | -                        |
| Total capital assets being depreciated          | <u>145,599,360</u>       | <u>354,979</u>        | <u>(363,657)</u> | <u>145,590,682</u>       |
| Less accumulated depreciation:                  |                          |                       |                  |                          |
| Land improvements                               | 2,444,901                | 267,166               | -                | 2,712,067                |
| Buildings and building improvements             | 68,370,704               | 3,202,983             | -                | 71,573,687               |
| Furniture, fixtures, and equipment              | 7,049,156                | 460,056               | (363,657)        | 7,145,555                |
| Vehicles  | -                        | -                     | -                | -                        |
| Total accumulated depreciation                  | <u>77,864,761</u>        | <u>3,930,205</u>      | <u>(363,657)</u> | <u>81,431,309</u>        |
| Total capital assets, net of depreciation       | <u>\$ 71,898,771</u>     | <u>\$ (3,575,226)</u> | <u>\$ -</u>      | <u>\$ 68,323,545</u>     |

Depreciation was allocated for the year as follows:

|   |                     |
|---|---------------------|
| Governmental activities:                  |                     |
| Instruction                               | \$ 2,024,261        |
| Support services - students               | 339,855             |
| Support services - instruction            | 69,477              |
| Support services - general administration | 110,465             |
| School administration                     | 270,309             |
| Central services                          | 326,980             |
| Operation and maintenance of plant        | 408,324             |
| Student transportation                    | 169,399             |
| Food services                             | 211,135             |
| Total depreciation                        | <u>\$ 3,930,205</u> |

At June 30, 2016, the District had no construction agreements in place.

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.

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**NOTE 7 Long-Term Debt**

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

|                          | Balance at<br>06/30/15 | Additions         | Deletions           | Balance at<br>06/30/16 | Due Within<br>One Year |
|--------------------------|------------------------|-------------------|---------------------|------------------------|------------------------|
| General Obligation Bonds | \$ 53,710,000          | \$ -              | \$ 4,190,000        | \$ 49,520,000          | \$ 4,805,000           |
| Compensated Absences     | 246,253                | 274,573           | 238,850             | 281,976                | 238,850                |
| <b>Total</b>             | <b>\$ 53,956,253</b>   | <b>\$ 274,573</b> | <b>\$ 4,428,850</b> | <b>\$ 49,801,976</b>   | <b>\$ 5,043,850</b>    |

General Obligations Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District has one outstanding general obligation bond as of June 30, 2016. All general obligation bonds are for governmental activities.

|                    | 2005A<br>GO Bond<br>3/15/2005 | 2009<br>GO Bond<br>11/17/2009 | 2010<br>GO Bond<br>8/17/2010 |
|--------------------|-------------------------------|-------------------------------|------------------------------|
| Issue Date         |                               |                               |                              |
| Original Issue     | \$6,785,000                   | \$19,055,000                  | \$6,000,000                  |
| Maturity Date      | 10/1/2016                     | 9/1/2024                      | 8/1/2027                     |
| Principal          | 1-Oct                         | 1-Sep                         | 1-Aug                        |
| Interest Rate      | 2.50% to 4.00%                | 4.00% to 5.00%                | 5.851%                       |
| Principal/Interest | 1-Oct                         | 1-Sep                         | 1-Aug                        |
| Interest           | 1-Apr                         | 1-Mar                         | 1-Feb                        |
|                    | 2011<br>GO Bond<br>6/21/2011  | 2014<br>GO Bond<br>10/14/2014 |                              |
| Issue Date         |                               |                               |                              |
| Original Issue     | \$20,875,000                  | \$13,615,000                  |                              |
| Maturity Date      | 9/1/2022                      | 10/1/2022                     |                              |
| Principal          | 1-Sep                         | 1-Oct                         |                              |
| Interest Rate      | 3.00% to 5.00%                | 2.00%                         |                              |
| Principal/Interest | 1-Sep                         | 1-Oct                         |                              |
| Interest           | 1-Mar                         | 1-Apr                         |                              |

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**NOTE 7 Long-Term Debt (Continued)**

The annual requirements to amortize the general obligation bonds as of June 30, 2016, including interest payments are as follows:

| Fiscal Year Ending<br>June 30, | Total General Obligation Bonds |                      | Total Debt<br>Service |
|--------------------------------|--------------------------------|----------------------|-----------------------|
|                                | Principal                      | Interest             |                       |
| 2017                           | \$ 4,555,000                   | \$ 1,853,035         | \$ 6,408,035          |
| 2018                           | 4,750,000                      | 1,691,410            | 6,441,410             |
| 2019                           | 4,890,000                      | 1,527,410            | 6,417,410             |
| 2020                           | 5,345,000                      | 1,352,010            | 6,697,010             |
| 2021                           | 5,725,000                      | 1,154,035            | 6,879,035             |
| 2022-2026                      | 18,255,000                     | 2,967,000            | 21,222,000            |
| 2027-2031                      | -                              | 526,590              | 526,590               |
| <b>Totals</b>                  | <b>\$ 43,520,000</b>           | <b>\$ 11,071,490</b> | <b>\$ 54,591,490</b>  |

The District issued a “Qualified School Construction Bond” (GO Bond Series 2010) in the amount of \$6,000,000. The proceeds were used for new construction projects and the repairs of existing facilities. The bond issue was authorized under section 54 of the Internal Revenue Code as amended by the American Recovery and Reinvestment Act. The Act amended section 54A(d)(1) to provide that the term “qualified tax credit bond” means, in part, a qualified school construction bond that is part of an issue that meets the requirements of section 54A(d)(2), (3), (4), (5), and (6). The District paid interest of \$50,460 on the bond issue and received a “subsidy” for the remaining interest due on this bond issue. The holders of the bonds will receive a tax credit in lieu of interest payments. The “subsidy” effectively reduces the District’s interest payments by \$300,600. Additionally, the District was required to fund a sinking fund beginning August 1, 2013. The fund will have a yield of 4.35% and must be funded as follows:

| Balance and Funding of Sinking Fund |              |
|-------------------------------------|--------------|
| Current Balance                     | \$ 400,000   |
| Future Funding Requirements         |              |
| August 1,                           | Amount       |
| 2017                                | \$ 250,000   |
| 2018                                | 250,000      |
| 2019                                | 300,000      |
| 2020                                | 300,000      |
| 2021                                | 300,000      |
| 2022                                | 500,000      |
| 2023                                | 600,000      |
| 2024                                | 600,000      |
| 2025                                | 600,000      |
| 2026                                | 600,000      |
| 2027                                | 600,000      |
| 2028                                | 700,000      |
| Total future amounts                | 5,600,000    |
| Total at August 1, 2027             | \$ 6,000,000 |

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**NOTE 7 Long-Term Debt (Continued)**

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

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2016, compensated absences increased \$35,723 over the prior year accrual. See Note 1 for more details.

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

**NOTE 8 Unearned Revenues**

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to the subsequent years, unless such excess revenues are requested to be returned to the grantor. The District had no unearned revenues at June 30, 2016.

**NOTE 9 Risk Management**

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

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

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

**NOTE 10 Other Required Individual Fund Disclosures**

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

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

| <b>Fund #</b> | <b>Fund Description</b>                 | <b>Amount</b>     |
|---------------|---|-------------------|
| 24101         | Title IIASA                             | \$ 34,842         |
| 24106         | IDEA-B Entitlement                      | 101,276           |
| 24118         | Fresh Fruits and Vegetables             | 9,743             |
| 27114         | NM Reads to Lead K-3 Reading Initiative | 16,849            |
| 27150         | Indian Education Act                    | 647               |
|               | Total                                   | <u>\$ 163,357</u> |

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**NOTE 10 Other Required Individual Fund Disclosures (Continued)**

- B. Excess of expenditures over appropriations. For the year ended June 30, 2016, the District had no funds with expenditures in excess of appropriations.
- C. Cash appropriations in excess of available cash balance. For the year ended June 30, 2016, the District had no funds with cash appropriations in excess of cash balance.

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

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

*Benefits Provided:* A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows:

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

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

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

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

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

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.

*Contributions:* The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2015 and 2014 employers contributed 13.90% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$2,264,508 for the year ended June 30, 2016.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District reported a liability of \$36,911,997 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015.

The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, District's proportion was 0.56987%, which was a decrease of 0.00725% from its proportion measured as June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$2,774,902. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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JUNE 30, 2016**

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

|  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> | <u>Net<br/>(Inflows)<br/>Outflows</u> |
|--|---|--|---------------------------------------|
| Differences between expected and actuarial experience  | \$ -  | \$ (684,315)                                 | \$ (684,315)                          |
| Changes of assumptions   | 1,269,600                                     | -  | 1,269,600                             |
| Net difference between projected and actual earnings on<br>pension plan investments  | 2,050,690                                     | (2,216,840)                                  | (166,150)                             |
| Changes in proportion and differences between Bloomfield<br>Municipal School's contributions and proportionate share<br>of contributions | 168,487                                       | (353,506)                                    | (185,019)                             |
| Bloomfield Municipal Schools contributions<br>subsequent to the measurement date   | <u>2,264,508</u>                              | <u>-</u>                                     | <u>2,264,508</u>                      |
| <b>Total</b>   | <u><u>\$ 5,753,285</u></u>                    | <u><u>\$ (3,254,661)</u></u>                 | <u><u>\$ 2,498,624</u></u>            |

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

**Year ended June 30,**

|                   |                          |
|-------------------|--------------------------|
| <b>2017</b>       | \$ (117,177)             |
| <b>2018</b>       | (107,750)                |
| <b>2019</b>       | (53,629)                 |
| <b>2020</b>       | 512,672                  |
| <b>Thereafter</b> | <u>-</u>                 |
| <b>Total</b>      | <u><u>\$ 234,116</u></u> |

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

1. All members with an annual salary of more than \$20,000 will contribute 10.70% 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 COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

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

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

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

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

| <b>Asset Class</b>                | <b>2015<br/>Long-Term Expected<br/>Real Rate of Return</b> | <b>2014<br/>Long-Term Expected<br/>Real Rate of Return</b> |
|-----------------------------------|--|--|
| Cash                              | 3.25%  | 1.50%  |
| Treasuries                        | 3.50%  | 2.00%  |
| IG Corp Credit                    | 4.75%  | 3.50%  |
| MBS                               | 3.75%  | 2.25%  |
| Core Bonds                        | 3.98%  | 2.53%  |
| TIPS                              | 4.00%  | 2.50%  |
| High Yield Bonds                  | 5.75%  | 4.50%  |
| Bank Loans                        | 6.00%  | 5.00%  |
| Global Bonds (Unhedged)           | 2.25%  | 1.25%  |
| Global Bonds (Hedged)             | 2.41%  | 1.38%  |
| EMD External                      | 6.00%  | 5.00%  |
| EMD Local Currency                | 6.75%  | 5.75%  |
| Large Cap Equities                | 7.50%  | 6.25%  |
| Small/Mid Cap                     | 7.75%  | 6.25%  |
| International Equities (Unhedged) | 8.00%  | 7.25%  |
| International Equities (Hedged)   | 8.47%  | 7.50%  |



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

| Asset Class                     | 2015<br>Long-Term Expected<br>Real Rate of Return | 2014<br>Long-Term Expected<br>Real Rate of Return |
|---------------------------------|---|---|
| Emerging International Equities | 9.25%   | 9.50%   |
| Private Equity                  | 9.50%   | 8.75%   |
| Private Debt                    | 8.00%   | 8.00%   |
| Private Real Assets             | 7.75%   | 7.75%   |
| Real Estate                     | 6.50%   | 6.25%   |
| Commodities                     | 5.75%   | 5.00%   |
| Hedge Funds                     | 6.75%   | 5.50%   |

*Discount rate:* A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2015 and June 30, 2014. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB’s defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

*Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate:* The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2015. In particular, the table presents the (employer’s) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

|  | 1% Decrease<br>(6.75%) | Current<br>Discount Rate<br>(7.75%) | 1% Increase<br>(8.75%) |
|--|------------------------|-------------------------------------|------------------------|
| Bloomfield Municipal School District No. 6’s<br>proportionate share of the net pension liability | \$ 49,667,559          | \$ 36,911,997                       | \$ 26,195,998          |

*Pension Plan Fiduciary Net Position.* Detailed information about the ERB’s fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2015 and 2014 which are publicly available at [www.nmerb.org](http://www.nmerb.org).

*Payables to the Pension Plan.* The District had no outstanding liability to the pension plan at June 30, 2016.

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

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

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

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

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

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

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

The District's contributions to the RHCA for the years ended June 30, 2016, 2015, and 2014 were \$323,326, \$321,796, and \$318,315, respectively, which equal the required contributions for each year.

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**NOTE 13 Unavailable Revenues**

The District had the following unavailable governmental revenues at June 30, 2016.

|                                     | Unavailable Revenues |          |
|-------------------------------------|----------------------|----------|
|                                     | Property Taxes       | Other    |
| <b>Major Funds:</b>                 |                      |          |
| Operational (11000)                 | \$ 7,072             | \$ -     |
| Capital Improvements SB-9 (31700)   | 41,567               | -        |
| Debt Service (41000)                | 169,831              | -        |
| <b>Non-major Funds:</b>             |                      |          |
| Fresh Fruits and Vegetables (24118) | -                    | 6,010    |
| Totals                              | \$ 218,470           | \$ 6,010 |

**NOTE 14 Concentrations**

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

**NOTE 15 Contingent Liabilities**

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

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

**NOTE 16 Subsequent Accounting Standard Pronouncements**

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

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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

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

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

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

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

In March 2016, GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, was issued. Effective Date: The provisions of this Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions and is effective for reporting periods after June 15, 2016. The District is still evaluating how this standard will affect the District.

**NOTE 17**      **Subsequent Events**

A review of subsequent events through October 13, 2016, which is the date the financial statements were available to be issued, indicated nothing of audit significance.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**EDUCATIONAL RETIREMENT BOARD (ERB) PLAN**  
**LAST 10 FISCAL YEARS\***  
**JUNE 30, 2016**

Schedule I

|   | <u>2016</u>   | <u>2015</u>  |
|---|---------------|--------------|
| Bloomfield Municipal School District No. 6's proportion of the net pension liability  | 0.56987%      | 0.57712%     |
| Bloomfield Municipal School District No. 6's proportionate share of the net pension liability   | \$ 36,911,997 | \$32,928,905 |
| Bloomfield Municipal School District No. 6's covered-employee payroll   | \$ 15,559,277 | \$15,907,470 |
| Bloomfield Municipal School District No. 6's proportionate share of the net pension liability as a percentage of covered-employee payroll | 237.23%       | 207.00%      |
| Plan fiduciary net position as a percentage of total pension liability  | 63.97%        | 66.54%       |

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

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**EDUCATIONAL RETIREMENT BOARD (ERB) PLAN**  
**LAST 10 FISCAL YEARS\***  
**JUNE 30, 2016**

Schedule II

|   | 2016          | 2015          |
|---|---------------|---------------|
| Contractually required contribution                                   | \$ 2,264,508  | \$ 2,242,189  |
| Contributions in relation to the contractually required contribution  | 2,264,508     | 2,242,189     |
| Contribution deficiency (excess)                                      | \$ -          | \$ -          |
| Bloomfield Municipal School District No. 6's covered-employee payroll | \$ 16,358,851 | \$ 16,199,417 |
| Contributions as a percentage of covered-employee payroll             | 13.84%        | 13.84%        |

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

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



**STATE OF NEW MEXICO**  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN  
JUNE 30, 2016

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

**Changes of assumptions.**

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

1. Fiscal year 2015 valuation assumptions that changed based on this study:
  - a. Lower wage inflation from 4.25% to 3.75%
  - b. Update mortality tables to incorporate generational improvements
  - c. Update demographic assumptions to use currently published tables which may result in minor calculation changes
  - e. Remove population growth assumption for projections
  - f. Lower population growth from 0.50% to zero. (No impact on valuation results.)
  
2. Assumptions that were not changed:
  - a. Investment return will remain at 7.75%
  - b. Inflation will remain at 3.00%
  - c. Real net return will remain at 4.75%
  - d. COLA will remain at 2.00% per year
  - e. Payroll growth will remain at 3.50%
  - f. Maintain experience-based rates for members who joined by June 30, 2010

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

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**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2016

Statement A-1

|  | SPECIAL<br>REVENUE  | CAPITAL<br>PROJECTS | DEBT<br>SERVICE  | TOTAL               |
|--|---------------------|---------------------|------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |                  |                     |
| <i>Current assets:</i>   |                     |                     |                  |                     |
| Cash and temporary investments   | \$ 805,198          | \$ 26,574           | \$ 61,467        | \$ 893,239          |
| Accounts receivable  |                     |                     |                  |                     |
| Taxes  | -                   | -                   | -                | -                   |
| Due from other governments   | 376,907             | -                   | -                | 376,907             |
| Interfund receivables  | 26,455              | -                   | -                | 26,455              |
| Other  | -                   | -                   | -                | -                   |
| Inventory  | 31,133              | -                   | -                | 31,133              |
| <i>Total assets</i>  | <u>1,239,693</u>    | <u>26,574</u>       | <u>61,467</u>    | <u>1,327,734</u>    |
| <b>LIABILITIES</b>   |                     |                     |                  |                     |
| <i>Current liabilities:</i>  |                     |                     |                  |                     |
| Accounts payable   | 36,078              | -                   | -                | 36,078              |
| Accrued payroll liabilities  | 15,639              | -                   | -                | 15,639              |
| Interfund payables   | 278,048             | -                   | -                | 278,048             |
| Unearned revenue   | -                   | -                   | -                | -                   |
| <i>Total liabilities</i>   | <u>329,765</u>      | <u>-</u>            | <u>-</u>         | <u>329,765</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                     |                     |                  |                     |
| Unavailable revenues - property taxes                                      | -                   | -                   | -                | -                   |
| Unavailable revenues - other   | 6,010               | -                   | -                | 6,010               |
| <i>Total deferred inflows of resources</i>                                 | <u>6,010</u>        | <u>-</u>            | <u>-</u>         | <u>6,010</u>        |
| <b>FUND BALANCES</b>   |                     |                     |                  |                     |
| Nonspendable   | 31,133              | -                   | -                | 31,133              |
| Restricted for:  |                     |                     |                  |                     |
| Grant mandates   | 194,121             | -                   | -                | 194,121             |
| Capital projects   | -                   | -                   | -                | -                   |
| Debt service   | -                   | -                   | -                | -                   |
| Assigned   | 705,903             | 26,574              | 61,467           | 793,944             |
| Unassigned   | (27,239)            | -                   | -                | (27,239)            |
| <i>Total fund balances</i>   | <u>903,918</u>      | <u>26,574</u>       | <u>61,467</u>    | <u>991,959</u>      |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 1,239,693</u> | <u>\$ 26,574</u>    | <u>\$ 61,467</u> | <u>\$ 1,327,734</u> |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

Statement A-2

|  | SPECIAL<br>REVENUE | CAPITAL<br>PROJECTS | DEBT<br>SERVICE  | TOTAL             |
|--|--------------------|---------------------|------------------|-------------------|
| <i>Revenues:</i>   |                    |                     |                  |                   |
| District school tax levy   | \$ -               | \$ -                | \$ -             | \$ -              |
| State grants   | 888,350            | -                   | -                | 888,350           |
| Federal grants   | 2,495,344          | -                   | -                | 2,495,344         |
| Miscellaneous  | 84,084             | -                   | -                | 84,084            |
| Charges for services   | 388,178            | -                   | -                | 388,178           |
| Investment income  | 1,525              | 148                 | -                | 1,673             |
| <i>Total revenues</i>  | <u>3,857,481</u>   | <u>148</u>          | <u>-</u>         | <u>3,857,629</u>  |
| <i>Expenditures:</i>   |                    |                     |                  |                   |
| Current:   |                    |                     |                  |                   |
| Instruction  | 1,273,360          | -                   | -                | 1,273,360         |
| Support services   |                    |                     |                  |                   |
| Students   | 633,286            | -                   | -                | 633,286           |
| Instruction  | 7,018              | -                   | -                | 7,018             |
| General administration   | 31,450             | -                   | 2,832            | 34,282            |
| School administration  | 182,278            | -                   | -                | 182,278           |
| Central services   | -                  | -                   | -                | -                 |
| Operation & maintenance of plant                                     | -                  | -                   | -                | -                 |
| Student transportation   | 42,332             | -                   | -                | 42,332            |
| Other support services   | -                  | -                   | -                | -                 |
| Food services operations   | 1,712,518          | -                   | -                | 1,712,518         |
| Community services   | 1,874              | -                   | -                | 1,874             |
| Capital outlay   | -                  | 269,578             | -                | 269,578           |
| Debt service   |                    |                     |                  |                   |
| Principal  | -                  | -                   | -                | -                 |
| Interest   | -                  | -                   | -                | -                 |
| <i>Total expenditures</i>  | <u>3,884,116</u>   | <u>269,578</u>      | <u>2,832</u>     | <u>4,156,526</u>  |
| <i>Excess (deficiency) of revenues<br/>over (under) expenditures</i> | <u>(26,635)</u>    | <u>(269,430)</u>    | <u>(2,832)</u>   | <u>(298,897)</u>  |
| <i>Other financing sources (uses):</i>                               |                    |                     |                  |                   |
| Operating transfers  | -                  | -                   | -                | -                 |
| <i>Total other financing sources (uses)</i>                          | <u>-</u>           | <u>-</u>            | <u>-</u>         | <u>-</u>          |
| <i>Net changes in fund balances</i>                                  | (26,635)           | (269,430)           | (2,832)          | (298,897)         |
| <i>Fund balances - beginning of year</i>                             | <u>930,553</u>     | <u>296,004</u>      | <u>64,299</u>    | <u>1,290,856</u>  |
| <i>Fund balances - end of year</i>                                   | <u>\$ 903,918</u>  | <u>\$ 26,574</u>    | <u>\$ 61,467</u> | <u>\$ 991,959</u> |

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

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**SPECIAL REVENUE FUNDS**

## SPECIAL REVENUE FUNDS DESCRIPTIONS

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

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

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

**Student Activities (23000)** – To account for revenue and expenditures associated with the District’s non instructional support activities (primarily after-school activities). No minimum balance required according to legislation.

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

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

**Fresh Fruits and Vegetables (24118)** – To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2005. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769. No minimum balance required according to legislation.

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

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

**English Language Acquisition (24153)** – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards. No minimum balance required according to legislation.

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

**Title I School Improvement (24162)** – To account for federal funds to provide family-center education projects to help parents become full partners in the education of their children and to assist children in reaching their full potential as leaders. Authority is Public Law 100-297. No minimum balance required according to legislation.

**Carl D Perkins Secondary – Current (24174)** – To account for federal funds to provide vocational and technical education for secondary education. (Authority: P.L. 105-332). No minimum balance required according to legislation.

**Carl D Perkins Secondary – Redistribution (24176)** – Redistribution for the program as described above in 24174. (Authority: P.L. 105-332). No minimum balance required according to legislation.

**Johnson O'Malley (25131)** – To provide funding for supplemental programs in special education and the other needs of eligible Native American Indian children. Funding is provided by the Johnson- O'Malley Act of 1934 as amended, Public Law 930638. No minimum balance required according to legislation.

**Impact Aid Special Education (25145)** – To account for a program funded by a Federal grant to provide financial assistance to local educational agencies (LEAs) 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 8002, ESEA), where there are a significant number of children who reside on Federal (including Native American) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Sections 8003 and 8007, ESEA), where there is a sudden increase in school enrollment as the result of Federal activities (Section 8006, ESEA). To provide disaster assistance for reduced or increased operating costs for replacing or repairing damaged or destroyed support equipment and books and for repairing minor damage to facilities. Funding is authorized by the Elementary and Secondary Education Act, Title VIII, as amended. No minimum balance required according to legislation.

**Impact Aid Indian Education (25147)** – To account for funding of a Federal program 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), or where there are 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 reduced or increased operating costs (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. No minimum balance required according to legislation.

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

**Indian Ed Formula Grant (25184)** – To account for a program funded by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) Improve academic performance, 2) Reduce school dropout rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U.S.C. 2601-2606. No minimum balance required according to legislation.

**Golden Apple Foundation (26163)** – The purpose of this fund is to account for a program designed to improve the quality of education for all children through recognition, recruitment, and professional development of outstanding teachers. This funding is provided by a private grant with Wells Fargo Golden Apple Foundation Teacher Partner Grant and authorized by the PED. No minimum balance required according to legislation.

**Conoco Phillips School Grant (26200)** – provides funds to support specific projects proposed to teachers at Naabi Ani Elementary School. The project is funded by a grant from Conoco Phillips. The creation of the fund is authorized by NMSA 1978 22-89-14. No minimum balance required according to legislation.

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

**2010 GO Bond Student Library Fund (SB1) (27106)** – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute. No minimum balance required according to legislation.

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

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

**Technology for Education PED (27117)** – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10. No minimum balance required according to legislation.

**Truancy Initiative PED (27141)** – This grant is divided into two sections; School Based Law Enforcement and School Based Family Center. Surveillance cameras were purchased and installed at the High School and Phoenix Program. The purpose was to provide staff training in truancy prevention and strategies to deal with students to improve school attendance. Resources were also available to assist families in developing strategies to improve their children's school attendance. Funding was provided by the School health Unit of the State of New Mexico. Authority for creation of this fund is authorized by the PED. No minimum balance required according to legislation.

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

**Indian Education Act (27150)** – To account for funding provided by New Mexico Legislature through the New Mexico Public Education Department supporting various Exemplary Culture Based Education programs. No minimum balance required according to legislation.

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

**Parent Advocacy Project (27193)** – To account for a student-parent portal (powerschool) to be used to deliver student information and reports to students and parents online. No minimum balance required according to legislation.

**Social Workers for Middle Schools (27194)** – To hire a Middle School Social Worker under STARS and will be required to report their performance to the PED as to data collected such as number of students served, number of home visits conducted, truancy and dropout statistics for the district and each middle school assigned and number of suspensions and expulsions. No minimum balance required according to legislation.

**Teachers “hard to staff” Stipends (27195)** – Funding for stipends for teachers in hard to staff areas as specified by legislation for STEM/hard-to-staff teacher recruitment and/or retention stipends. These teacher stipends are \$5,000 per teacher and may only be awarded to teachers who have met the award criteria. Authorization for this stipend is NMPED. No minimum balance required according to legislation.

**Private Direct Grants (29102)** – To provide students with experiences and career awareness in wildlife, forestry and environmental management operations. No minimum balance required according to legislation.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2016

|  | Food<br>Services<br>21000 | Athletics<br>22000 | Student<br>Activities<br>23000 | New Mexico<br>Autism<br>Project<br>24108 | IDEA-B<br>Preschool<br>24109 |
|--|---------------------------|--------------------|--------------------------------|--|------------------------------|
| <b>ASSETS</b>  |                           |                    |                                |  |                              |
| <i>Current assets:</i>   |                           |                    |                                |  |                              |
| Cash and temporary investments   | \$ 441,715                | \$ 163,803         | \$ 39,614                      | \$ -                                     | \$ -                         |
| Accounts receivable  |                           |                    |                                |  |                              |
| Taxes  | -                         | -                  | -                              | -  | -                            |
| Due from other governments   | 36,469                    | -                  | -                              | 32                                       | 20,761                       |
| Interfund receivables  | 26,455                    | -                  | -                              | -  | -                            |
| Other  | -                         | -                  | -                              | -  | -                            |
| Inventory  | 25,708                    | 5,425              | -                              | -  | -                            |
| <i>Total assets</i>  | <u>530,347</u>            | <u>169,228</u>     | <u>39,614</u>                  | <u>32</u>                                | <u>20,761</u>                |
| <b>LIABILITIES</b>   |                           |                    |                                |  |                              |
| <i>Current liabilities:</i>  |                           |                    |                                |  |                              |
| Accounts payable   | 16,368                    | 2,862              | -                              | -  | -                            |
| Accrued payroll liabilities  | 12,010                    | -                  | -                              | -  | -                            |
| Interfund payables   | -                         | -                  | -                              | 32                                       | 20,761                       |
| Unearned revenue   | -                         | -                  | -                              | -  | -                            |
| <i>Total liabilities</i>   | <u>28,378</u>             | <u>2,862</u>       | <u>-</u>                       | <u>32</u>                                | <u>20,761</u>                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                           |                    |                                |  |                              |
| Unavailable revenues - property taxes  | -                         | -                  | -                              | -  | -                            |
| Unavailable revenues - other   | -                         | -                  | -                              | -  | -                            |
| <i>Total deferred inflows of resources</i>                                     | <u>-</u>                  | <u>-</u>           | <u>-</u>                       | <u>-</u>                                 | <u>-</u>                     |
| <b>FUND BALANCES</b>   |                           |                    |                                |  |                              |
| Nonspendable   | 25,708                    | 5,425              | -                              | -  | -                            |
| Restricted for:  |                           |                    |                                |  |                              |
| Grant mandates   | 102,205                   | 4,013              | -                              | -  | -                            |
| Capital projects   | -                         | -                  | -                              | -  | -                            |
| Debt service   | -                         | -                  | -                              | -  | -                            |
| Assigned   | 374,056                   | 156,928            | 39,614                         | -  | -                            |
| Unassigned   | -                         | -                  | -                              | -  | -                            |
| <i>Total fund balances</i>   | <u>501,969</u>            | <u>166,366</u>     | <u>39,614</u>                  | <u>-</u>                                 | <u>-</u>                     |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <u>\$ 530,347</u>         | <u>\$ 169,228</u>  | <u>\$ 39,614</u>               | <u>\$ 32</u>                             | <u>\$ 20,761</u>             |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2016

|  | Fresh<br>Fruits and<br>Vegetables<br>24118 | IDEA-B<br>"Risk Pool"<br>24120 | IDEA-B<br>Results<br>Plan<br>24132 | English<br>Language<br>Acquisition<br>24153 | Teacher/Principal<br>Training &<br>Recruiting<br>24154 |
|--|--|--------------------------------|------------------------------------|---|--|
| <b>ASSETS</b>  |  |                                |                                    |   |  |
| <i>Current assets:</i>   |  |                                |                                    |   |  |
| Cash and temporary investments   | \$ -                                       | \$ -                           | \$ -                               | \$ -  | \$ -   |
| Accounts receivable  |  |                                |                                    |   |  |
| Taxes  | -  | -                              | -                                  | -   | -  |
| Due from other governments   | 22,722                                     | -                              | 7,803                              | 11,607                                      | 17,552   |
| Interfund receivables  | -  | -                              | -                                  | -   | -  |
| Other  | -  | -                              | -                                  | -   | -  |
| Inventory  | -  | -                              | -                                  | -   | -  |
| <i>Total assets</i>  | <u>22,722</u>                              | <u>-</u>                       | <u>7,803</u>                       | <u>11,607</u>                               | <u>17,552</u>  |
| <b>LIABILITIES</b>   |  |                                |                                    |   |  |
| <i>Current liabilities:</i>  |  |                                |                                    |   |  |
| Accounts payable   | -  | -                              | -                                  | -   | -  |
| Accrued payroll liabilities  | -  | -                              | -                                  | -   | -  |
| Interfund payables   | 26,455                                     | -                              | 7,803                              | 11,607                                      | 17,552   |
| Unearned revenue   | -  | -                              | -                                  | -   | -  |
| <i>Total liabilities</i>   | <u>26,455</u>                              | <u>-</u>                       | <u>7,803</u>                       | <u>11,607</u>                               | <u>17,552</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |  |                                |                                    |   |  |
| Unavailable revenues - property taxes  | -  | -                              | -                                  | -   | -  |
| Unavailable revenues - other   | 6,010                                      | -                              | -                                  | -   | -  |
| <i>Total deferred inflows of resources</i>                                     | <u>6,010</u>                               | <u>-</u>                       | <u>-</u>                           | <u>-</u>                                    | <u>-</u>   |
| <b>FUND BALANCES</b>   |  |                                |                                    |   |  |
| Nonspendable   | -  | -                              | -                                  | -   | -  |
| Restricted for:  |  |                                |                                    |   |  |
| Grant mandates   | -  | -                              | -                                  | -   | -  |
| Capital projects   | -  | -                              | -                                  | -   | -  |
| Debt service   | -  | -                              | -                                  | -   | -  |
| Assigned   | -  | -                              | -                                  | -   | -  |
| Unassigned   | (9,743)                                    | -                              | -                                  | -   | -  |
| <i>Total fund balances</i>   | <u>(9,743)</u>                             | <u>-</u>                       | <u>-</u>                           | <u>-</u>                                    | <u>-</u>   |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <u>\$ 22,722</u>                           | <u>\$ -</u>                    | <u>\$ 7,803</u>                    | <u>\$ 11,607</u>                            | <u>\$ 17,552</u>                                       |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2016

|  | Title I<br>School<br>Improvement<br>24162 | Carl D Perkins<br>Secondary -<br>Current<br>24174 | Carl D Perkins<br>Secondary -<br>Redistribution<br>24176 | Johnson<br>O'Malley<br>25131 | Impact Aid<br>Special<br>Education<br>25145 |
|--|---|---|--|------------------------------|---|
| <b>ASSETS</b>  |   |   |  |                              |   |
| <i>Current assets:</i>   |   |   |  |                              |   |
| Cash and temporary investments   | \$ -                                      | \$ -  | \$ -   | \$ -                         | \$ 21,194                                   |
| Accounts receivable  |   |   |  |                              |   |
| Taxes  | -   | -   | -  | -                            | -   |
| Due from other governments   | 817                                       | -   | 1,136  | 28,152                       | -   |
| Interfund receivables  | -   | -   | -  | -                            | -   |
| Other  | -   | -   | -  | -                            | -   |
| Inventory  | -   | -   | -  | -                            | -   |
| <i>Total assets</i>  | <u>817</u>                                | <u>-</u>  | <u>1,136</u>   | <u>28,152</u>                | <u>21,194</u>                               |
| <b>LIABILITIES</b>   |   |   |  |                              |   |
| <i>Current liabilities:</i>  |   |   |  |                              |   |
| Accounts payable   | -   | -   | -  | -                            | -   |
| Accrued payroll liabilities  | -   | -   | -  | 363                          | -   |
| Interfund payables   | 817                                       | -   | 1,136  | 12,351                       | -   |
| Unearned revenue   | -   | -   | -  | -                            | -   |
| <i>Total liabilities</i>   | <u>817</u>                                | <u>-</u>  | <u>1,136</u>   | <u>12,714</u>                | <u>-</u>                                    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |   |   |  |                              |   |
| Unavailable revenues - property taxes  | -   | -   | -  | -                            | -   |
| Unavailable revenues - other   | -   | -   | -  | -                            | -   |
| <i>Total deferred inflows of resources</i>                                     | <u>-</u>                                  | <u>-</u>  | <u>-</u>   | <u>-</u>                     | <u>-</u>                                    |
| <b>FUND BALANCES</b>   |   |   |  |                              |   |
| Nonspendable   | -   | -   | -  | -                            | -   |
| Restricted for:  |   |   |  |                              |   |
| Grant mandates   | -   | -   | -  | 15,438                       | 679   |
| Capital projects   | -   | -   | -  | -                            | -   |
| Debt service   | -   | -   | -  | -                            | -   |
| Assigned   | -   | -   | -  | -                            | 20,515                                      |
| Unassigned   | -   | -   | -  | -                            | -   |
| <i>Total fund balances</i>   | <u>-</u>                                  | <u>-</u>  | <u>-</u>   | <u>15,438</u>                | <u>21,194</u>                               |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <u>\$ 817</u>                             | <u>\$ -</u>                                       | <u>\$ 1,136</u>  | <u>\$ 28,152</u>             | <u>\$ 21,194</u>                            |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2016

|  | Impact Aid<br>Indian<br>Education<br>25147 | Title XIX<br>Medicaid<br>3/21 Years<br>25153 | Indian<br>Education<br>Grant<br>25184 | Golden Apple<br>Foundation<br>26163 | Conoco<br>Phillips School<br>Grant<br>26200 |
|--|--|--|---------------------------------------|-------------------------------------|---|
| <b>ASSETS</b>  |  |  |                                       |                                     |   |
| <i>Current assets:</i>   |  |  |                                       |                                     |   |
| Cash and temporary investments   | \$ 47,185                                  | \$ 54,989                                    | \$ -                                  | \$ -                                | \$ 5,186                                    |
| Accounts receivable  |  |  |                                       |                                     |   |
| Taxes  | -  | -  | -                                     | -                                   | -   |
| Due from other governments   | -  | 53,839                                       | 19,006                                | -                                   | -   |
| Interfund receivables  | -  | -  | -                                     | -                                   | -   |
| Other  | -  | -  | -                                     | -                                   | -   |
| Inventory  | -  | -  | -                                     | -                                   | -   |
| <i>Total assets</i>  | <u>47,185</u>                              | <u>108,828</u>                               | <u>19,006</u>                         | <u>-</u>                            | <u>5,186</u>                                |
| <b>LIABILITIES</b>   |  |  |                                       |                                     |   |
| <i>Current liabilities:</i>  |  |  |                                       |                                     |   |
| Accounts payable   | -  | -  | -                                     | -                                   | -   |
| Accrued payroll liabilities  | 3,266                                      | -  | -                                     | -                                   | -   |
| Interfund payables   | -  | -  | 16,611                                | -                                   | -   |
| Unearned revenue   | -  | -  | -                                     | -                                   | -   |
| <i>Total liabilities</i>   | <u>3,266</u>                               | <u>-</u>                                     | <u>16,611</u>                         | <u>-</u>                            | <u>-</u>                                    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |  |  |                                       |                                     |   |
| Unavailable revenues - property taxes  | -  | -  | -                                     | -                                   | -   |
| Unavailable revenues - other   | -  | -  | -                                     | -                                   | -   |
| <i>Total deferred inflows of resources</i>                                     | <u>-</u>                                   | <u>-</u>                                     | <u>-</u>                              | <u>-</u>                            | <u>-</u>                                    |
| <b>FUND BALANCES</b>   |  |  |                                       |                                     |   |
| Nonspendable   | -  | -  | -                                     | -                                   | -   |
| Restricted for:  |  |  |                                       |                                     |   |
| Grant mandates   | -  | 63,709                                       | 2,395                                 | -                                   | -   |
| Capital projects   | -  | -  | -                                     | -                                   | -   |
| Debt service   | -  | -  | -                                     | -                                   | -   |
| Assigned   | 43,919                                     | 45,119                                       | -                                     | -                                   | 5,186                                       |
| Unassigned   | -  | -  | -                                     | -                                   | -   |
| <i>Total fund balances</i>   | <u>43,919</u>                              | <u>108,828</u>                               | <u>2,395</u>                          | <u>-</u>                            | <u>5,186</u>                                |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <u>\$ 47,185</u>                           | <u>\$ 108,828</u>                            | <u>\$ 19,006</u>                      | <u>\$ -</u>                         | <u>\$ 5,186</u>                             |

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



STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2016

|  | Dual Credit<br>Instructional<br>Materials<br>27103 | 2010 GO Bond<br>Student Library<br>Fund (SB1)<br>27106 | 2012 GO Bond<br>Student Library<br>Fund (SB66)<br>27107 | New Mexico Reads<br>to Lead K-3 Reading<br>Initiative<br>27114 | Technology for<br>Education PED<br>27117 |
|--|--|--|---|--|--|
| <b>ASSETS</b>  |  |  |   |  |  |
| <i>Current assets:</i>   |  |  |   |  |  |
| Cash and temporary investments   | \$ -   | \$ -   | \$ -  | \$ 789   | \$ -                                     |
| Accounts receivable  | -  | -  | -   | -  | -  |
| Taxes  | -  | -  | -   | -  | -  |
| Due from other governments   | -  | -  | 4,737   | 290  | -  |
| Interfund receivables  | -  | -  | -   | -  | -  |
| Other  | -  | -  | -   | -  | -  |
| Inventory  | -  | -  | -   | -  | -  |
| <i>Total assets</i>  | <u>-</u>   | <u>-</u>   | <u>4,737</u>  | <u>1,079</u>   | <u>-</u>                                 |
| <b>LIABILITIES</b>   |  |  |   |  |  |
| <i>Current liabilities:</i>  |  |  |   |  |  |
| Accounts payable   | -  | -  | -   | 16,848   | -  |
| Accrued payroll liabilities  | -  | -  | -   | -  | -  |
| Interfund payables   | -  | -  | 4,737   | 1,080  | -  |
| Unearned revenue   | -  | -  | -   | -  | -  |
| <i>Total liabilities</i>   | <u>-</u>   | <u>-</u>   | <u>4,737</u>  | <u>17,928</u>  | <u>-</u>                                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |  |  |   |  |  |
| Unavailable revenues - property taxes  | -  | -  | -   | -  | -  |
| Unavailable revenues - other   | -  | -  | -   | -  | -  |
| <i>Total deferred inflows of resources</i>                                     | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>-</u>   | <u>-</u>                                 |
| <b>FUND BALANCES</b>   |  |  |   |  |  |
| Nonspendable   | -  | -  | -   | -  | -  |
| Restricted for:  |  |  |   |  |  |
| Grant mandates   | -  | -  | -   | -  | -  |
| Capital projects   | -  | -  | -   | -  | -  |
| Debt service   | -  | -  | -   | -  | -  |
| Assigned   | -  | -  | -   | -  | -  |
| Unassigned   | -  | -  | -   | (16,849)   | -  |
| <i>Total fund balances</i>   | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>(16,849)</u>  | <u>-</u>                                 |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ 4,737</u>   | <u>\$ 1,079</u>  | <u>\$ -</u>                              |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2016

|  | Truancy<br>Initiative PED<br>27141 | PreK<br>Initiative<br>27149 | Indian<br>Education<br>Act<br>27150 | NM Grown<br>Fresh Fruits<br>and Vegetables<br>27183 | Parent<br>Advocacy<br>Project<br>27193 |
|--|------------------------------------|-----------------------------|-------------------------------------|---|--|
| <b>ASSETS</b>  |                                    |                             |                                     |   |  |
| <i>Current assets:</i>   |                                    |                             |                                     |   |  |
| Cash and temporary investments   | \$ -                               | \$ -                        | \$ -                                | \$ -  | \$ -                                   |
| Accounts receivable  |                                    |                             |                                     |   |  |
| Taxes  | -                                  | -                           | -                                   | -   | -                                      |
| Due from other governments   | 12,830                             | 95,130                      | 8,937                               | -   | -                                      |
| Interfund receivables  | -                                  | -                           | -                                   | -   | -                                      |
| Other  | -                                  | -                           | -                                   | -   | -                                      |
| Inventory  | -                                  | -                           | -                                   | -   | -                                      |
| <i>Total assets</i>  | <u>12,830</u>                      | <u>95,130</u>               | <u>8,937</u>                        | <u>-</u>  | <u>-</u>                               |
| <b>LIABILITIES</b>   |                                    |                             |                                     |   |  |
| <i>Current liabilities:</i>  |                                    |                             |                                     |   |  |
| Accounts payable   | -                                  | -                           | -                                   | -   | -                                      |
| Accrued payroll liabilities  | -                                  | -                           | -                                   | -   | -                                      |
| Interfund payables   | 12,830                             | 95,130                      | 9,584                               | -   | -                                      |
| Unearned revenue   | -                                  | -                           | -                                   | -   | -                                      |
| <i>Total liabilities</i>   | <u>12,830</u>                      | <u>95,130</u>               | <u>9,584</u>                        | <u>-</u>  | <u>-</u>                               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                                    |                             |                                     |   |  |
| Unavailable revenues - property taxes                                      | -                                  | -                           | -                                   | -   | -                                      |
| Unavailable revenues - other   | -                                  | -                           | -                                   | -   | -                                      |
| <i>Total deferred inflows of resources</i>                                 | <u>-</u>                           | <u>-</u>                    | <u>-</u>                            | <u>-</u>  | <u>-</u>                               |
| <b>FUND BALANCES</b>   |                                    |                             |                                     |   |  |
| Nonspendable   | -                                  | -                           | -                                   | -   | -                                      |
| Restricted for:  |                                    |                             |                                     |   |  |
| Grant mandates   | -                                  | -                           | -                                   | -   | -                                      |
| Capital projects   | -                                  | -                           | -                                   | -   | -                                      |
| Debt service   | -                                  | -                           | -                                   | -   | -                                      |
| Assigned   | -                                  | -                           | -                                   | -   | -                                      |
| Unassigned   | -                                  | -                           | (647)                               | -   | -                                      |
| <i>Total fund balances</i>   | <u>-</u>                           | <u>-</u>                    | <u>(647)</u>                        | <u>-</u>  | <u>-</u>                               |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 12,830</u>                   | <u>\$ 95,130</u>            | <u>\$ 8,937</u>                     | <u>\$ -</u>   | <u>\$ -</u>                            |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2016

|  | Social Workers<br>for Middle<br>Schools<br>27194 | Teachers<br>"hard to staff"<br>Stipends<br>27195 | Private Direct<br>Grants<br>29102 | Total               |
|--|--|--|-----------------------------------|---------------------|
| <b>ASSETS</b>  |  |  |                                   |                     |
| <i>Current assets:</i>   |  |  |                                   |                     |
| Cash and temporary investments   | \$ 4,475   | \$ -   | \$ 26,248                         | \$ 805,198          |
| Accounts receivable  |  |  |                                   | -                   |
| Taxes  | -  | -  | -                                 | -                   |
| Due from other governments   | 9,097  | 25,990   | -                                 | 376,907             |
| Interfund receivables  | -  | -  | -                                 | 26,455              |
| Other  | -  | -  | -                                 | -                   |
| Inventory  | -  | -  | -                                 | 31,133              |
| <i>Total assets</i>  | <u>13,572</u>                                    | <u>25,990</u>                                    | <u>26,248</u>                     | <u>1,239,693</u>    |
| <b>LIABILITIES</b>   |  |  |                                   |                     |
| <i>Current liabilities:</i>  |  |  |                                   |                     |
| Accounts payable   | -  | -  | -                                 | 36,078              |
| Accrued payroll liabilities  | -  | -  | -                                 | 15,639              |
| Interfund payables   | 13,572   | 25,990   | -                                 | 278,048             |
| Unearned revenue   | -  | -  | -                                 | -                   |
| <i>Total liabilities</i>   | <u>13,572</u>                                    | <u>25,990</u>                                    | <u>-</u>                          | <u>329,765</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |  |  |                                   |                     |
| Unavailable revenues - property taxes  | -  | -  | -                                 | -                   |
| Unavailable revenues - other   | -  | -  | -                                 | 6,010               |
| <i>Total deferred inflows of resources</i>                                     | <u>-</u>   | <u>-</u>   | <u>-</u>                          | <u>6,010</u>        |
| <b>FUND BALANCES</b>   |  |  |                                   |                     |
| Nonspendable   | -  | -  | -                                 | 31,133              |
| Restricted for:  |  |  |                                   |                     |
| Grant mandates   | -  | -  | 5,682                             | 194,121             |
| Capital projects   | -  | -  | -                                 | -                   |
| Debt service   | -  | -  | -                                 | -                   |
| Assigned   | -  | -  | 20,566                            | 705,903             |
| Unassigned   | -  | -  | -                                 | (27,239)            |
| <i>Total fund balances</i>   | <u>-</u>   | <u>-</u>   | <u>26,248</u>                     | <u>903,918</u>      |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <u>\$ 13,572</u>                                 | <u>\$ 25,990</u>                                 | <u>\$ 26,248</u>                  | <u>\$ 1,239,693</u> |

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

**STATE OF NEW MEXICO**

**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016**

|  | Food<br>Services<br>21000 | Athletics<br>22000 | Student<br>Activities<br>23000 | New Mexico<br>Autism<br>Project<br>24108 | IDEA-B<br>Preschool<br>24109 |
|--|---------------------------|--------------------|--------------------------------|--|------------------------------|
| <i>Revenues:</i>   |                           |                    |                                |  |                              |
| District school tax levy   | \$ -                      | \$ -               | \$ -                           | \$ -                                     | \$ -                         |
| State grants   | -                         | -                  | -                              | -  | -                            |
| Federal grants   | 1,373,750                 | -                  | -                              | 2,599                                    | 24,202                       |
| Miscellaneous  | -                         | 5,156              | 10,978                         | -  | -                            |
| Charges for services   | 214,536                   | 173,642            | -                              | -  | -                            |
| Investment income  | 293                       | -                  | 1,232                          | -  | -                            |
| <i>Total revenues</i>  | <u>1,588,579</u>          | <u>178,798</u>     | <u>12,210</u>                  | <u>2,599</u>                             | <u>24,202</u>                |
| <i>Expenditures:</i>   |                           |                    |                                |  |                              |
| <i>Current:</i>  |                           |                    |                                |  |                              |
| Instruction  | -                         | 168,568            | 4,028                          | 2,099                                    | 13,725                       |
| Support services   |                           |                    |                                |  |                              |
| Students   | -                         | -                  | -                              | 400                                      | 9,355                        |
| Instruction  | -                         | -                  | -                              | -  | 186                          |
| General administration   | -                         | -                  | -                              | 100                                      | 936                          |
| School administration  | -                         | -                  | -                              | -  | -                            |
| Central services   | -                         | -                  | -                              | -  | -                            |
| Operation & maintenance of plant                                     | -                         | -                  | -                              | -  | -                            |
| Student transportation   | -                         | -                  | -                              | -  | -                            |
| Other support services   | -                         | -                  | -                              | -  | -                            |
| Food services operations   | 1,624,407                 | -                  | -                              | -  | -                            |
| Community services   | -                         | -                  | -                              | -  | -                            |
| Capital outlay   | -                         | -                  | -                              | -  | -                            |
| Debt service   |                           |                    |                                |  |                              |
| Principal  | -                         | -                  | -                              | -  | -                            |
| Interest   | -                         | -                  | -                              | -  | -                            |
| <i>Total expenditures</i>  | <u>1,624,407</u>          | <u>168,568</u>     | <u>4,028</u>                   | <u>2,599</u>                             | <u>24,202</u>                |
| <i>Excess (deficiency) of revenues<br/>over (under) expenditures</i> | <u>(35,828)</u>           | <u>10,230</u>      | <u>8,182</u>                   | <u>-</u>                                 | <u>-</u>                     |
| <i>Other financing sources (uses):</i>                               |                           |                    |                                |  |                              |
| Operating transfers  | -                         | -                  | -                              | -  | -                            |
| <i>Total other financing sources (uses)</i>                          | <u>-</u>                  | <u>-</u>           | <u>-</u>                       | <u>-</u>                                 | <u>-</u>                     |
| <i>Net changes in fund balances</i>                                  | (35,828)                  | 10,230             | 8,182                          | -  | -                            |
| <i>Fund balances - beginning of year</i>                             | <u>537,797</u>            | <u>156,136</u>     | <u>31,432</u>                  | <u>-</u>                                 | <u>-</u>                     |
| <i>Fund balances - end of year</i>                                   | <u>\$ 501,969</u>         | <u>\$ 166,366</u>  | <u>\$ 39,614</u>               | <u>\$ -</u>                              | <u>\$ -</u>                  |

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

## STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

|  | Fresh<br>Fruits and<br>Vegetables<br>24118 | IDEA-B<br>"Risk Pool"<br>24120 | IDEA-B<br>Results<br>Plan<br>24132 | English<br>Language<br>Acquisition<br>24153 | Teacher/Principal<br>Training &<br>Recruiting<br>24154 |
|--|--|--------------------------------|------------------------------------|---|--|
| <i>Revenues:</i>   |  |                                |                                    |   |  |
| District school tax levy   | \$ -                                       | \$ -                           | \$ -                               | \$ -  | \$ -   |
| State grants   | -  | -                              | -                                  | -   | -  |
| Federal grants   | 75,169                                     | -                              | 33,153                             | 27,875                                      | 202,787  |
| Miscellaneous  | -  | -                              | -                                  | -   | -  |
| Charges for services   | -  | -                              | -                                  | -   | -  |
| Investment income  | -  | -                              | -                                  | -   | -  |
| <i>Total revenues</i>  | <u>75,169</u>                              | <u>-</u>                       | <u>33,153</u>                      | <u>27,875</u>                               | <u>202,787</u>   |
| <i>Expenditures:</i>   |  |                                |                                    |   |  |
| <i>Current:</i>  |  |                                |                                    |   |  |
| Instruction  | -  | -                              | 33,153                             | 22,892                                      | 150,898  |
| Support services   |  |                                |                                    |   |  |
| Students   | -  | -                              | -                                  | 240   | -  |
| Instruction  | -  | -                              | -                                  | -   | -  |
| General administration   | -  | -                              | -                                  | 536   | 4,572  |
| School administration  | -  | -                              | -                                  | 2,333                                       | -  |
| Central services   | -  | -                              | -                                  | -   | -  |
| Operation & maintenance of plant                                     | -  | -                              | -                                  | -   | -  |
| Student transportation   | -  | -                              | -                                  | -   | -  |
| Other support services   | -  | -                              | -                                  | -   | -  |
| Food services operations   | 84,912                                     | -                              | -                                  | -   | -  |
| Community services   | -  | -                              | -                                  | 1,874                                       | -  |
| Capital outlay   | -  | -                              | -                                  | -   | -  |
| Debt service   |  |                                |                                    |   |  |
| Principal  | -  | -                              | -                                  | -   | -  |
| Interest   | -  | -                              | -                                  | -   | -  |
| <i>Total expenditures</i>  | <u>84,912</u>                              | <u>-</u>                       | <u>33,153</u>                      | <u>27,875</u>                               | <u>155,470</u>   |
| <i>Excess (deficiency) of revenues<br/>over (under) expenditures</i> | <u>(9,743)</u>                             | <u>-</u>                       | <u>-</u>                           | <u>-</u>                                    | <u>47,317</u>  |
| <i>Other financing sources (uses):</i>                               |  |                                |                                    |   |  |
| Operating transfers  | -  | -                              | -                                  | -   | -  |
| <i>Total other financing sources (uses)</i>                          | <u>-</u>                                   | <u>-</u>                       | <u>-</u>                           | <u>-</u>                                    | <u>-</u>   |
| <i>Net changes in fund balances</i>                                  | (9,743)                                    | -                              | -                                  | -   | 47,317   |
| <i>Fund balances - beginning of year</i>                             | -  | -                              | -                                  | -   | (47,317)   |
| <i>Fund balances - end of year</i>                                   | <u>\$ (9,743)</u>                          | <u>\$ -</u>                    | <u>\$ -</u>                        | <u>\$ -</u>                                 | <u>\$ -</u>  |

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

STATE OF NEW MEXICO

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

|  | Title I<br>School<br>Improvement<br>24162 | Carl D Perkins<br>Secondary -<br>Current<br>24174 | Carl D Perkins<br>Secondary -<br>Redistribution<br>24176 | Johnson<br>O'Malley<br>25131 | Impact Aid<br>Special<br>Education<br>25145 |
|--|---|---|--|------------------------------|---|
| <i>Revenues:</i>   |   |   |  |                              |   |
| District school tax levy   | \$ -                                      | \$ -  | \$ -   | \$ -                         | \$ -  |
| State grants   | -   | -   | -  | -                            | -   |
| Federal grants   | 22,929                                    | -   | 10,331   | 79,547                       | 73,503                                      |
| Miscellaneous  | -   | -   | -  | -                            | -   |
| Charges for services   | -   | -   | -  | -                            | -   |
| Investment income  | -   | -   | -  | -                            | -   |
| <i>Total revenues</i>  | <u>22,929</u>                             | <u>-</u>  | <u>10,331</u>  | <u>79,547</u>                | <u>73,503</u>                               |
| <i>Expenditures:</i>   |   |   |  |                              |   |
| <i>Current:</i>  |   |   |  |                              |   |
| Instruction  | 22,043                                    | -   | 10,331   | 12,300                       | -   |
| Support services   |   |   |  |                              |   |
| Students   | -   | -   | -  | 34,126                       | 209   |
| Instruction  | -   | -   | -  | -                            | -   |
| General administration   | 886                                       | -   | -  | 2,135                        | 2,479                                       |
| School administration  | -   | -   | -  | 9,013                        | 61,430                                      |
| Central services   | -   | -   | -  | -                            | -   |
| Operation & maintenance of plant                                     | -   | -   | -  | -                            | -   |
| Student transportation   | -   | -   | -  | -                            | -   |
| Other support services   | -   | -   | -  | -                            | -   |
| Food services operations   | -   | -   | -  | -                            | -   |
| Community services   | -   | -   | -  | -                            | -   |
| Capital outlay   | -   | -   | -  | -                            | -   |
| Debt service   |   |   |  |                              |   |
| Principal  | -   | -   | -  | -                            | -   |
| Interest   | -   | -   | -  | -                            | -   |
| <i>Total expenditures</i>  | <u>22,929</u>                             | <u>-</u>  | <u>10,331</u>  | <u>57,574</u>                | <u>64,118</u>                               |
| <i>Excess (deficiency) of revenues<br/>over (under) expenditures</i> | <u>-</u>                                  | <u>-</u>  | <u>-</u>   | <u>21,973</u>                | <u>9,385</u>                                |
| <i>Other financing sources (uses):</i>                               |   |   |  |                              |   |
| Operating transfers  | -   | -   | -  | -                            | -   |
| <i>Total other financing sources (uses)</i>                          | <u>-</u>                                  | <u>-</u>  | <u>-</u>   | <u>-</u>                     | <u>-</u>                                    |
| <i>Net changes in fund balances</i>                                  | -   | -   | -  | 21,973                       | 9,385                                       |
| <i>Fund balances - beginning of year</i>                             | <u>-</u>                                  | <u>-</u>  | <u>-</u>   | <u>(6,535)</u>               | <u>11,809</u>                               |
| <i>Fund balances - end of year</i>                                   | <u>\$ -</u>                               | <u>\$ -</u>                                       | <u>\$ -</u>  | <u>\$ 15,438</u>             | <u>\$ 21,194</u>                            |

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

STATE OF NEW MEXICO

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

|  | Impact Aid<br>Indian<br>Education<br>25147 | Title XIX<br>Medicaid<br>3/21 Years<br>25153 | Indian Ed<br>Formula<br>Grant<br>25184 | Golden Apple<br>Foundation<br>26163 | Conoco<br>Phillips School<br>Grant<br>26200 |
|--|--|--|--|-------------------------------------|---|
| <i>Revenues:</i>   |  |  |  |                                     |   |
| District school tax levy   | \$ -                                       | \$ -   | \$ -                                   | \$ -                                | \$ -  |
| State grants   | -  | -  | -                                      | -                                   | -   |
| Federal grants   | 147,211                                    | 244,829                                      | 177,459                                | -                                   | -   |
| Miscellaneous  | -  | -  | -                                      | 920                                 | 11,187                                      |
| Charges for services   | -  | -  | -                                      | -                                   | -   |
| Investment income  | -  | -  | -                                      | -                                   | -   |
| <i>Total revenues</i>  | <u>147,211</u>                             | <u>244,829</u>                               | <u>177,459</u>                         | <u>920</u>                          | <u>11,187</u>                               |
| <i>Expenditures:</i>   |  |  |  |                                     |   |
| <i>Current:</i>  |  |  |  |                                     |   |
| Instruction  | 64,157                                     | -  | 107,454                                | 920                                 | 8,377                                       |
| Support services   |  |  |  |                                     |   |
| Students   | 68,172                                     | 256,643                                      | 14,141                                 | -                                   | -   |
| Instruction  | 2,095                                      | -  | -                                      | -                                   | -   |
| General administration   | 7,304                                      | -  | 7,183                                  | -                                   | -   |
| School administration  | 50,431                                     | -  | 57,833                                 | -                                   | -   |
| Central services   | -  | -  | -                                      | -                                   | -   |
| Operation & maintenance of plant                                     | -  | -  | -                                      | -                                   | -   |
| Student transportation   | 29   | -  | -                                      | -                                   | -   |
| Other support services   | -  | -  | -                                      | -                                   | -   |
| Food services operations   | -  | -  | -                                      | -                                   | -   |
| Community services   | -  | -  | -                                      | -                                   | -   |
| Capital outlay   | -  | -  | -                                      | -                                   | -   |
| Debt service   |  |  |  |                                     |   |
| Principal  | -  | -  | -                                      | -                                   | -   |
| Interest   | -  | -  | -                                      | -                                   | -   |
| <i>Total expenditures</i>  | <u>192,188</u>                             | <u>256,643</u>                               | <u>186,611</u>                         | <u>920</u>                          | <u>8,377</u>                                |
| <i>Excess (deficiency) of revenues<br/>over (under) expenditures</i> | <u>(44,977)</u>                            | <u>(11,814)</u>                              | <u>(9,152)</u>                         | <u>-</u>                            | <u>2,810</u>                                |
| <i>Other financing sources (uses):</i>                               |  |  |  |                                     |   |
| Operating transfers  | -  | -  | -                                      | -                                   | -   |
| <i>Total other financing sources (uses)</i>                          | <u>-</u>                                   | <u>-</u>                                     | <u>-</u>                               | <u>-</u>                            | <u>-</u>                                    |
| <i>Net changes in fund balances</i>                                  | (44,977)                                   | (11,814)                                     | (9,152)                                | -                                   | 2,810                                       |
| <i>Fund balances - beginning of year</i>                             | <u>88,896</u>                              | <u>120,642</u>                               | <u>11,547</u>                          | <u>-</u>                            | <u>2,376</u>                                |
| <i>Fund balances - end of year</i>                                   | <u>\$ 43,919</u>                           | <u>\$ 108,828</u>                            | <u>\$ 2,395</u>                        | <u>\$ -</u>                         | <u>\$ 5,186</u>                             |

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

**STATE OF NEW MEXICO**

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

|  | Dual Credit<br>Instructional<br>Materials<br>27103 | 2010 GO Bond<br>Student Library<br>Fund (SB1)<br>27106 | 2012 GO Bond<br>Student Library<br>Fund (SB66)<br>27107 | New Mexico Reads<br>to Lead K-3 Reading<br>Initiative<br>27114 | Technology for<br>Education PED<br>27117 |
|--|--|--|---|--|--|
| <i>Revenues:</i>   |  |  |   |  |  |
| District school tax levy   | \$ -   | \$ -   | \$ -  | \$ -   | \$ -                                     |
| State grants   | 6,951  | -  | 12,189  | 111,148  | -  |
| Federal grants   | -  | -  | -   | -  | -  |
| Miscellaneous  | -  | -  | -   | -  | -  |
| Charges for services   | -  | -  | -   | -  | -  |
| Investment income  | -  | -  | -   | -  | -  |
| <i>Total revenues</i>  | <u>6,951</u>                                       | <u>-</u>   | <u>12,189</u>   | <u>111,148</u>   | <u>-</u>                                 |
| <i>Expenditures:</i>   |  |  |   |  |  |
| <i>Current:</i>  |  |  |   |  |  |
| Instruction  | 6,951  | -  | -   | 127,997  | -  |
| Support services   |  |  |   |  |  |
| Students   | -  | -  | -   | -  | -  |
| Instruction  | -  | -  | 4,737   | -  | -  |
| General administration   | -  | -  | -   | -  | -  |
| School administration  | -  | -  | -   | -  | -  |
| Central services   | -  | -  | -   | -  | -  |
| Operation & maintenance of plant                                     | -  | -  | -   | -  | -  |
| Student transportation   | -  | -  | -   | -  | -  |
| Other support services   | -  | -  | -   | -  | -  |
| Food services operations   | -  | -  | -   | -  | -  |
| Community services   | -  | -  | -   | -  | -  |
| Capital outlay   | -  | -  | -   | -  | -  |
| Debt service   |  |  |   |  |  |
| Principal  | -  | -  | -   | -  | -  |
| Interest   | -  | -  | -   | -  | -  |
| <i>Total expenditures</i>  | <u>6,951</u>                                       | <u>-</u>   | <u>4,737</u>  | <u>127,997</u>   | <u>-</u>                                 |
| <i>Excess (deficiency) of revenues<br/>over (under) expenditures</i> | <u>-</u>   | <u>-</u>   | <u>7,452</u>  | <u>(16,849)</u>  | <u>-</u>                                 |
| <i>Other financing sources (uses):</i>                               |  |  |   |  |  |
| Operating transfers  | -  | -  | -   | -  | -  |
| <i>Total other financing sources (uses)</i>                          | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>-</u>   | <u>-</u>                                 |
| <i>Net changes in fund balances</i>                                  | <u>-</u>   | <u>-</u>   | <u>7,452</u>  | <u>(16,849)</u>  | <u>-</u>                                 |
| <i>Fund balances - beginning of year</i>                             | <u>-</u>   | <u>-</u>   | <u>(7,452)</u>  | <u>-</u>   | <u>-</u>                                 |
| <i>Fund balances - end of year</i>                                   | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ (16,849)</u>   | <u>\$ -</u>                              |

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



STATE OF NEW MEXICO

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

|  | Truancy<br>Initiative PED<br>27141 | PreK<br>Initiative<br>27149 | Indian<br>Education<br>Act<br>27150 | NM Grown<br>Fresh Fruits<br>and Vegetables<br>27183 | Parent<br>Advocacy<br>Project<br>27193 |
|--|------------------------------------|-----------------------------|-------------------------------------|---|--|
| <i>Revenues:</i>   |                                    |                             |                                     |   |  |
| District school tax levy   | \$ -                               | \$ -                        | \$ -                                | \$ -  | \$ -                                   |
| State grants   | 120,000                            | 461,562                     | 20,072                              | 3,199   | -                                      |
| Federal grants   | -                                  | -                           | -                                   | -   | -                                      |
| Miscellaneous  | -                                  | -                           | -                                   | -   | -                                      |
| Charges for services   | -                                  | -                           | -                                   | -   | -                                      |
| Investment income  | -                                  | -                           | -                                   | -   | -                                      |
| <i>Total revenues</i>  | <u>120,000</u>                     | <u>461,562</u>              | <u>20,072</u>                       | <u>3,199</u>  | <u>-</u>                               |
| <i>Expenditures:</i>   |                                    |                             |                                     |   |  |
| <i>Current:</i>  |                                    |                             |                                     |   |  |
| Instruction  | -                                  | 349,329                     | 20,156                              | -   | -                                      |
| Support services   |                                    |                             |                                     |   |  |
| Students   | 120,000                            | 74,167                      | (231)                               | -   | -                                      |
| Instruction  | -                                  | -                           | -                                   | -   | -                                      |
| General administration   | -                                  | 4,525                       | 794                                 | -   | -                                      |
| School administration  | -                                  | 1,238                       | -                                   | -   | -                                      |
| Central services   | -                                  | -                           | -                                   | -   | -                                      |
| Operation & maintenance of plant                                     | -                                  | -                           | -                                   | -   | -                                      |
| Student transportation   | -                                  | 32,303                      | -                                   | -   | -                                      |
| Other support services   | -                                  | -                           | -                                   | -   | -                                      |
| Food services operations   | -                                  | -                           | -                                   | 3,199   | -                                      |
| Community services   | -                                  | -                           | -                                   | -   | -                                      |
| Capital outlay   | -                                  | -                           | -                                   | -   | -                                      |
| Debt service   |                                    |                             |                                     |   |  |
| Principal  | -                                  | -                           | -                                   | -   | -                                      |
| Interest   | -                                  | -                           | -                                   | -   | -                                      |
| <i>Total expenditures</i>  | <u>120,000</u>                     | <u>461,562</u>              | <u>20,719</u>                       | <u>3,199</u>  | <u>-</u>                               |
| <i>Excess (deficiency) of revenues<br/>over (under) expenditures</i> | <u>-</u>                           | <u>-</u>                    | <u>(647)</u>                        | <u>-</u>  | <u>-</u>                               |
| <i>Other financing sources (uses):</i>                               |                                    |                             |                                     |   |  |
| Operating transfers  | -                                  | -                           | -                                   | -   | -                                      |
| <i>Total other financing sources (uses)</i>                          | <u>-</u>                           | <u>-</u>                    | <u>-</u>                            | <u>-</u>  | <u>-</u>                               |
| <i>Net changes in fund balances</i>                                  | -                                  | -                           | (647)                               | -   | -                                      |
| <i>Fund balances - beginning of year</i>                             | -                                  | -                           | -                                   | -   | -                                      |
| <i>Fund balances - end of year</i>                                   | <u>\$ -</u>                        | <u>\$ -</u>                 | <u>\$ (647)</u>                     | <u>\$ -</u>   | <u>\$ -</u>                            |

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

STATE OF NEW MEXICO

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

|  | Social Workers<br>for Middle<br>Schools<br>27194 | Teachers<br>"hard to staff"<br>Stipends<br>27195 | Private Direct<br>Grants<br>29102 | Total             |
|--|--|--|-----------------------------------|-------------------|
| <i>Revenues:</i>   |  |  |                                   |                   |
| District school tax levy   | \$ -   | \$ -   | \$ -                              | \$ -              |
| State grants   | 56,064   | 97,165   | -                                 | 888,350           |
| Federal grants   | -  | -  | -                                 | 2,495,344         |
| Miscellaneous  | -  | -  | 55,843                            | 84,084            |
| Charges for services   | -  | -  | -                                 | 388,178           |
| Investment income  | -  | -  | -                                 | 1,525             |
| <i>Total revenues</i>  | <u>56,064</u>                                    | <u>97,165</u>                                    | <u>55,843</u>                     | <u>3,857,481</u>  |
| <i>Expenditures:</i>   |  |  |                                   |                   |
| <i>Current:</i>  |  |  |                                   |                   |
| Instruction  | -  | 97,165   | 50,817                            | 1,273,360         |
| Support services   |  |  |                                   |                   |
| Students   | 56,064   | -  | -                                 | 633,286           |
| Instruction  | -  | -  | -                                 | 7,018             |
| General administration   | -  | -  | -                                 | 31,450            |
| School administration  | -  | -  | -                                 | 182,278           |
| Central services   | -  | -  | -                                 | -                 |
| Operation & maintenance of plant                                     | -  | -  | -                                 | -                 |
| Student transportation   | -  | -  | 10,000                            | 42,332            |
| Other support services   | -  | -  | -                                 | -                 |
| Food services operations   | -  | -  | -                                 | 1,712,518         |
| Community services   | -  | -  | -                                 | 1,874             |
| Capital outlay   | -  | -  | -                                 | -                 |
| Debt service   |  |  |                                   |                   |
| Principal  | -  | -  | -                                 | -                 |
| Interest   | -  | -  | -                                 | -                 |
| <i>Total expenditures</i>  | <u>56,064</u>                                    | <u>97,165</u>                                    | <u>60,817</u>                     | <u>3,884,116</u>  |
| <i>Excess (deficiency) of revenues<br/>over (under) expenditures</i> | <u>-</u>   | <u>-</u>   | <u>(4,974)</u>                    | <u>(26,635)</u>   |
| <i>Other financing sources (uses):</i>                               |  |  |                                   |                   |
| Operating transfers  | -  | -  | -                                 | -                 |
| <i>Total other financing sources (uses)</i>                          | <u>-</u>   | <u>-</u>   | <u>-</u>                          | <u>-</u>          |
| <i>Net changes in fund balances</i>                                  | -  | -  | (4,974)                           | (26,635)          |
| <i>Fund balances - beginning of year</i>                             | -  | -  | 31,222                            | 930,553           |
| <i>Fund balances - end of year</i>                                   | <u>\$ -</u>                                      | <u>\$ -</u>                                      | <u>\$ 26,248</u>                  | <u>\$ 903,918</u> |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOOD SERVICES SPECIAL REVENUE FUND (21000)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-3

|  | Budgeted Amounts |                  | Actual             | Variance          |
|--|------------------|------------------|--------------------|-------------------|
|  | Original Budget  | Final Budget     |                    |                   |
| <i>Revenues:</i>   |                  |                  |                    |                   |
| District school tax levy   | \$ -             | \$ -             | \$ -               | \$ -              |
| State grants   | 1,115,000        | 1,115,000        | -                  | (1,115,000)       |
| Federal grants   | -                | -                | 1,266,084          | 1,266,084         |
| Miscellaneous  | -                | -                | -                  | -                 |
| Charges for services   | 212,281          | 212,281          | 214,536            | 2,255             |
| Investment income  | 273              | 273              | 293                | 20                |
| <i>Total revenues</i>  | <u>1,327,554</u> | <u>1,327,554</u> | <u>1,480,913</u>   | <u>153,359</u>    |
| <i>Expenditures:</i>   |                  |                  |                    |                   |
| <i>Current:</i>  |                  |                  |                    |                   |
| Instruction  | -                | -                | -                  | -                 |
| Support services   |                  |                  |                    |                   |
| Students   | -                | -                | -                  | -                 |
| Instruction  | -                | -                | -                  | -                 |
| General administration   | -                | -                | -                  | -                 |
| School administration  | -                | -                | -                  | -                 |
| Central services   | -                | -                | -                  | -                 |
| Operation & maintenance of plant                                 | -                | -                | -                  | -                 |
| Student transportation   | -                | -                | -                  | -                 |
| Other support services   | -                | -                | -                  | -                 |
| Food services operations   | 1,674,285        | 1,806,528        | 1,493,526          | 313,002           |
| Community services   | -                | -                | -                  | -                 |
| Capital outlay   | -                | -                | -                  | -                 |
| Debt service   |                  |                  |                    |                   |
| Principal  | -                | -                | -                  | -                 |
| Interest   | -                | -                | -                  | -                 |
| <i>Total expenditures</i>  | <u>1,674,285</u> | <u>1,806,528</u> | <u>1,493,526</u>   | <u>313,002</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(346,731)</u> | <u>(478,974)</u> | <u>(12,613)</u>    | <u>466,361</u>    |
| <i>Other financing sources (uses):</i>                           |                  |                  |                    |                   |
| Designated cash  | 346,731          | 478,974          | -                  | (478,974)         |
| Operating transfers  | -                | -                | -                  | -                 |
| Proceeds from bond issues  | -                | -                | -                  | -                 |
| <i>Total other financing sources (uses)</i>                      | <u>346,731</u>   | <u>478,974</u>   | <u>-</u>           | <u>(478,974)</u>  |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>         | <u>(12,613)</u>    | <u>(12,613)</u>   |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -                | 480,783            | 480,783           |
| Prior period adjustments   | -                | -                | -                  | -                 |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>         | <u>480,783</u>     | <u>480,783</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 468,170</u>  | <u>\$ 468,170</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                  |                    |                   |
| Net change in fund balance (cash basis)                          |                  |                  | \$ (12,613)        |                   |
| Adjustments to revenues  |                  |                  | 107,666            |                   |
| Adjustments to expenditures                                      |                  |                  | (130,881)          |                   |
| Net change in fund balance (GAAP basis)                          |                  |                  | <u>\$ (35,828)</u> |                   |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 ATHLETICS SPECIAL REVENUE FUND (22000)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-4

|  | Budgeted Amounts |                  | Actual            | Variance          |
|--|------------------|------------------|-------------------|-------------------|
|  | Original Budget  | Final Budget     |                   |                   |
| <i>Revenues:</i>   |                  |                  |                   |                   |
| District school tax levy   | \$ -             | \$ -             | \$ -              | \$ -              |
| State grants   | -                | -                | -                 | -                 |
| Federal grants   | -                | -                | -                 | -                 |
| Miscellaneous  | -                | -                | 5,156             | 5,156             |
| Charges for services   | 160,000          | 160,000          | 173,642           | 13,642            |
| Investment income  | -                | -                | -                 | -                 |
| <i>Total revenues</i>  | <u>160,000</u>   | <u>160,000</u>   | <u>178,798</u>    | <u>18,798</u>     |
| <i>Expenditures:</i>   |                  |                  |                   |                   |
| <i>Current:</i>  |                  |                  |                   |                   |
| Instruction  | 278,781          | 304,541          | 159,736           | 144,805           |
| Support services   |                  |                  |                   |                   |
| Students   | -                | -                | -                 | -                 |
| Instruction  | -                | -                | -                 | -                 |
| General administration   | -                | -                | -                 | -                 |
| School administration  | -                | -                | -                 | -                 |
| Central services   | -                | -                | -                 | -                 |
| Operation & maintenance of plant                                 | -                | -                | -                 | -                 |
| Student transportation   | -                | -                | -                 | -                 |
| Other support services   | -                | -                | -                 | -                 |
| Food services operations   | -                | -                | -                 | -                 |
| Community services   | -                | -                | -                 | -                 |
| Capital outlay   | -                | -                | -                 | -                 |
| Debt service   |                  |                  |                   |                   |
| Principal  | -                | -                | -                 | -                 |
| Interest   | -                | -                | -                 | -                 |
| <i>Total expenditures</i>  | <u>278,781</u>   | <u>304,541</u>   | <u>159,736</u>    | <u>144,805</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(118,781)</u> | <u>(144,541)</u> | <u>19,062</u>     | <u>163,603</u>    |
| <i>Other financing sources (uses):</i>                           |                  |                  |                   |                   |
| Designated cash  | 118,781          | 144,541          | -                 | (144,541)         |
| Operating transfers  | -                | -                | -                 | -                 |
| Proceeds from bond issues  | -                | -                | -                 | -                 |
| <i>Total other financing sources (uses)</i>                      | <u>118,781</u>   | <u>144,541</u>   | <u>-</u>          | <u>(144,541)</u>  |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>         | <u>19,062</u>     | <u>19,062</u>     |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -                | 144,741           | 144,741           |
| Prior period adjustments   | -                | -                | -                 | -                 |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>         | <u>144,741</u>    | <u>144,741</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 163,803</u> | <u>\$ 163,803</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                  |                   |                   |
| Net change in fund balance (cash basis)                          |                  |                  | \$ 19,062         |                   |
| Adjustments to revenues  |                  |                  | -                 |                   |
| Adjustments to expenditures                                      |                  |                  | (8,832)           |                   |
| Net change in fund balance (GAAP basis)                          |                  |                  | <u>\$ 10,230</u>  |                   |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 STUDENT ACTIVITIES SPECIAL REVENUE FUND (23000)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-5

|  | Budgeted Amounts |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
|  | Original Budget  | Final Budget     | Actual           | Variance         |
| <i>Revenues:</i>   |                  |                  |                  |                  |
| District school tax levy   | \$ -             | \$ -             | \$ -             | \$ -             |
| State grants   | -                | -                | -                | -                |
| Federal grants   | -                | -                | -                | -                |
| Miscellaneous  | 225,000          | 225,000          | 10,978           | (214,022)        |
| Charges for services   | -                | -                | -                | -                |
| Investment income  | 600              | 600              | 1,232            | 632              |
| <i>Total revenues</i>  | <u>225,600</u>   | <u>225,600</u>   | <u>12,210</u>    | <u>(213,390)</u> |
| <i>Expenditures:</i>   |                  |                  |                  |                  |
| <i>Current:</i>  |                  |                  |                  |                  |
| Instruction  | 469,062          | 515,630          | 4,028            | 511,602          |
| Support services   |                  |                  |                  |                  |
| Students   | -                | -                | -                | -                |
| Instruction  | -                | -                | -                | -                |
| General administration   | -                | -                | -                | -                |
| School administration  | -                | -                | -                | -                |
| Central services   | -                | -                | -                | -                |
| Operation & maintenance of plant                                 | -                | -                | -                | -                |
| Student transportation   | -                | -                | -                | -                |
| Other support services   | -                | -                | -                | -                |
| Food services operations   | -                | -                | -                | -                |
| Community services   | -                | -                | -                | -                |
| Capital outlay   | -                | -                | -                | -                |
| Debt service   |                  |                  |                  |                  |
| Principal  | -                | -                | -                | -                |
| Interest   | -                | -                | -                | -                |
| <i>Total expenditures</i>  | <u>469,062</u>   | <u>515,630</u>   | <u>4,028</u>     | <u>511,602</u>   |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(243,462)</u> | <u>(290,030)</u> | <u>8,182</u>     | <u>298,212</u>   |
| <i>Other financing sources (uses):</i>                           |                  |                  |                  |                  |
| Designated cash  | 243,462          | 290,030          | -                | (290,030)        |
| Operating transfers  | -                | -                | -                | -                |
| Proceeds from bond issues  | -                | -                | -                | -                |
| <i>Total other financing sources (uses)</i>                      | <u>243,462</u>   | <u>290,030</u>   | <u>-</u>         | <u>(290,030)</u> |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>         | <u>8,182</u>     | <u>8,182</u>     |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -                | 31,432           | 31,432           |
| Prior period adjustments   | -                | -                | -                | -                |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>         | <u>31,432</u>    | <u>31,432</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 39,614</u> | <u>\$ 39,614</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                  |                  |                  |
| Net change in fund balance (cash basis)                          |                  |                  | \$ 8,182         |                  |
| Adjustments to revenues  |                  |                  | -                |                  |
| Adjustments to expenditures                                      |                  |                  | -                |                  |
| Net change in fund balance (GAAP basis)                          |                  |                  | <u>\$ 8,182</u>  |                  |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 NEW MEXICO AUTISM PROJECT SPECIAL REVENUE FUND (24108)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-6

|  | Budgeted Amounts |              | Actual         | Variance       |
|--|------------------|--------------|----------------|----------------|
|  | Original Budget  | Final Budget |                |                |
| <i>Revenues:</i>   |                  |              |                |                |
| District school tax levy   | \$ -             | \$ -         | \$ -           | \$ -           |
| State grants   | -                | -            | -              | -              |
| Federal grants   | -                | 4,440        | 2,594          | (1,846)        |
| Miscellaneous  | -                | -            | -              | -              |
| Charges for services   | -                | -            | -              | -              |
| Investment income  | -                | -            | -              | -              |
| <i>Total revenues</i>  | <u>-</u>         | <u>4,440</u> | <u>2,594</u>   | <u>(1,846)</u> |
| <i>Expenditures:</i>   |                  |              |                |                |
| <i>Current:</i>  |                  |              |                |                |
| Instruction  | -                | 2,360        | 2,099          | 261            |
| Support services   |                  |              |                |                |
| Students   | -                | 1,896        | 400            | 1,496          |
| Instruction  | -                | -            | -              | -              |
| General administration   | -                | 184          | 100            | 84             |
| School administration  | -                | -            | -              | -              |
| Central services   | -                | -            | -              | -              |
| Operation & maintenance of plant                                 | -                | -            | -              | -              |
| Student transportation   | -                | -            | -              | -              |
| Other support services   | -                | -            | -              | -              |
| Food services operations   | -                | -            | -              | -              |
| Community services   | -                | -            | -              | -              |
| Capital outlay   | -                | -            | -              | -              |
| Debt service   |                  |              |                |                |
| Principal  | -                | -            | -              | -              |
| Interest   | -                | -            | -              | -              |
| <i>Total expenditures</i>  | <u>-</u>         | <u>4,440</u> | <u>2,599</u>   | <u>1,841</u>   |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>     | <u>(5)</u>     | <u>(5)</u>     |
| <i>Other financing sources (uses):</i>                           |                  |              |                |                |
| Designated cash  | -                | -            | -              | -              |
| Operating transfers  | -                | -            | -              | -              |
| Proceeds from bond issues  | -                | -            | -              | -              |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>     | <u>-</u>       | <u>-</u>       |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>     | <u>(5)</u>     | <u>(5)</u>     |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -            | (27)           | (27)           |
| Prior period adjustments   | -                | -            | -              | -              |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>     | <u>(27)</u>    | <u>(27)</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>  | <u>\$ (32)</u> | <u>\$ (32)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |              |                |                |
| Net change in fund balance (cash basis)                          |                  |              | \$ (5)         |                |
| Adjustments to revenues  |                  |              | 5              |                |
| Adjustments to expenditures                                      |                  |              | -              |                |
| Net change in fund balance (GAAP basis)                          |                  |              | <u>\$ -</u>    |                |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 IDEA-B PRESCHOOL SPECIAL REVENUE FUND (24109)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-7

|  | Budgeted Amounts |               | Actual             | Variance           |
|--|------------------|---------------|--------------------|--------------------|
|  | Original Budget  | Final Budget  |                    |                    |
| <i>Revenues:</i>   |                  |               |                    |                    |
| District school tax levy   | \$ -             | \$ -          | \$ -               | \$ -               |
| State grants   | -                | -             | -                  | -                  |
| Federal grants   | 46,627           | 78,443        | 13,267             | (65,176)           |
| Miscellaneous  | -                | -             | -                  | -                  |
| Charges for services   | -                | -             | -                  | -                  |
| Investment income  | -                | -             | -                  | -                  |
| <i>Total revenues</i>  | <u>46,627</u>    | <u>78,443</u> | <u>13,267</u>      | <u>(65,176)</u>    |
| <i>Expenditures:</i>   |                  |               |                    |                    |
| <i>Current:</i>  |                  |               |                    |                    |
| Instruction  | 4,000            | 38,571        | 13,725             | 24,846             |
| Support services   |                  |               |                    |                    |
| Students   | 4,820            | 36,720        | 9,355              | 27,365             |
| Instruction  | 37,807           | 187           | 186                | 1                  |
| General administration   | -                | 2,965         | 936                | 2,029              |
| School administration  | -                | -             | -                  | -                  |
| Central services   | -                | -             | -                  | -                  |
| Operation & maintenance of plant                                 | -                | -             | -                  | -                  |
| Student transportation   | -                | -             | -                  | -                  |
| Other support services   | -                | -             | -                  | -                  |
| Food services operations   | -                | -             | -                  | -                  |
| Community services   | -                | -             | -                  | -                  |
| Capital outlay   | -                | -             | -                  | -                  |
| Debt service   |                  |               |                    |                    |
| Principal  | -                | -             | -                  | -                  |
| Interest   | -                | -             | -                  | -                  |
| <i>Total expenditures</i>  | <u>46,627</u>    | <u>78,443</u> | <u>24,202</u>      | <u>54,241</u>      |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>      | <u>(10,935)</u>    | <u>(10,935)</u>    |
| <i>Other financing sources (uses):</i>                           |                  |               |                    |                    |
| Designated cash  | -                | -             | -                  | -                  |
| Operating transfers  | -                | -             | -                  | -                  |
| Proceeds from bond issues  | -                | -             | -                  | -                  |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>      | <u>-</u>           | <u>-</u>           |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>      | <u>(10,935)</u>    | <u>(10,935)</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | <u>-</u>         | <u>-</u>      | <u>(9,826)</u>     | <u>(9,826)</u>     |
| Prior period adjustments   | -                | -             | -                  | -                  |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>      | <u>(9,826)</u>     | <u>(9,826)</u>     |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ (20,761)</u> | <u>\$ (20,761)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |               |                    |                    |
| Net change in fund balance (cash basis)                          |                  |               | \$ (10,935)        |                    |
| Adjustments to revenues  |                  |               | 10,935             |                    |
| Adjustments to expenditures                                      |                  |               | -                  |                    |
| Net change in fund balance (GAAP basis)                          |                  |               | <u>\$ -</u>        |                    |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND (24118)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-8

|  | Budgeted Amounts |               | Actual             | Variance           |
|--|------------------|---------------|--------------------|--------------------|
|  | Original Budget  | Final Budget  |                    |                    |
| <i>Revenues:</i>   |                  |               |                    |                    |
| District school tax levy   | \$ -             | \$ -          | \$ -               | \$ -               |
| State grants   | -                | -             | -                  | -                  |
| Federal grants   | -                | 84,935        | 60,216             | (24,719)           |
| Miscellaneous  | -                | -             | -                  | -                  |
| Charges for services   | -                | -             | -                  | -                  |
| Investment income  | -                | -             | -                  | -                  |
| <i>Total revenues</i>  | <u>-</u>         | <u>84,935</u> | <u>60,216</u>      | <u>(24,719)</u>    |
| <i>Expenditures:</i>   |                  |               |                    |                    |
| <i>Current:</i>  |                  |               |                    |                    |
| Instruction  | -                | -             | -                  | -                  |
| Support services   |                  |               |                    |                    |
| Students   | -                | -             | -                  | -                  |
| Instruction  | -                | -             | -                  | -                  |
| General administration   | -                | -             | -                  | -                  |
| School administration  | -                | -             | -                  | -                  |
| Central services   | -                | -             | -                  | -                  |
| Operation & maintenance of plant                                 | -                | -             | -                  | -                  |
| Student transportation   | -                | -             | -                  | -                  |
| Other support services   | -                | -             | -                  | -                  |
| Food services operations   | -                | 84,935        | 84,912             | 23                 |
| Community services   | -                | -             | -                  | -                  |
| Capital outlay   | -                | -             | -                  | -                  |
| Debt service   |                  |               |                    |                    |
| Principal  | -                | -             | -                  | -                  |
| Interest   | -                | -             | -                  | -                  |
| <i>Total expenditures</i>  | <u>-</u>         | <u>84,935</u> | <u>84,912</u>      | <u>23</u>          |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>      | <u>(24,696)</u>    | <u>(24,696)</u>    |
| <i>Other financing sources (uses):</i>                           |                  |               |                    |                    |
| Designated cash  | -                | -             | -                  | -                  |
| Operating transfers  | -                | -             | -                  | -                  |
| Proceeds from bond issues  | -                | -             | -                  | -                  |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>      | <u>-</u>           | <u>-</u>           |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>      | <u>(24,696)</u>    | <u>(24,696)</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -             | (1,759)            | (1,759)            |
| Prior period adjustments   | -                | -             | -                  | -                  |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>      | <u>(1,759)</u>     | <u>(1,759)</u>     |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ (26,455)</u> | <u>\$ (26,455)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |               |                    |                    |
| Net change in fund balance (cash basis)                          |                  |               | \$ (24,696)        |                    |
| Adjustments to revenues  |                  |               | 14,953             |                    |
| Adjustments to expenditures                                      |                  |               | -                  |                    |
| Net change in fund balance (GAAP basis)                          |                  |               | <u>\$ (9,743)</u>  |                    |

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



STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 IDEA-B "RISK POOL" SPECIAL REVENUE FUND (24120)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-9

|  | Budgeted Amounts |              |             |              |
|--|------------------|--------------|-------------|--------------|
|  | Original Budget  | Final Budget | Actual      | Variance     |
| <i>Revenues:</i>   |                  |              |             |              |
| District school tax levy   | \$ -             | \$ -         | \$ -        | \$ -         |
| State grants   | -                | -            | -           | -            |
| Federal grants   | -                | 601          | -           | (601)        |
| Miscellaneous  | -                | -            | -           | -            |
| Charges for services   | -                | -            | -           | -            |
| Investment income  | -                | -            | -           | -            |
| <i>Total revenues</i>  | <u>-</u>         | <u>601</u>   | <u>-</u>    | <u>(601)</u> |
| <i>Expenditures:</i>   |                  |              |             |              |
| <i>Current:</i>  |                  |              |             |              |
| Instruction  | -                | 576          | -           | 576          |
| Support services   |                  |              |             |              |
| Students   | -                | -            | -           | -            |
| Instruction  | -                | -            | -           | -            |
| General administration   | -                | 25           | -           | 25           |
| School administration  | -                | -            | -           | -            |
| Central services   | -                | -            | -           | -            |
| Operation & maintenance of plant                                 | -                | -            | -           | -            |
| Student transportation   | -                | -            | -           | -            |
| Other support services   | -                | -            | -           | -            |
| Food services operations   | -                | -            | -           | -            |
| Community services   | -                | -            | -           | -            |
| Capital outlay   | -                | -            | -           | -            |
| Debt service   |                  |              |             |              |
| Principal  | -                | -            | -           | -            |
| Interest   | -                | -            | -           | -            |
| <i>Total expenditures</i>  | <u>-</u>         | <u>601</u>   | <u>-</u>    | <u>601</u>   |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>     | <u>-</u>    | <u>-</u>     |
| <i>Other financing sources (uses):</i>                           |                  |              |             |              |
| Designated cash  | -                | -            | -           | -            |
| Operating transfers  | -                | -            | -           | -            |
| Proceeds from bond issues  | -                | -            | -           | -            |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>     | <u>-</u>    | <u>-</u>     |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>     | <u>-</u>    | <u>-</u>     |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -            | -           | -            |
| Prior period adjustments   | -                | -            | -           | -            |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>     | <u>-</u>    | <u>-</u>     |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>  | <u>\$ -</u> | <u>\$ -</u>  |
| <i>Reconciliation to GAAP basis:</i>                             |                  |              |             |              |
| Net change in fund balance (cash basis)                          |                  |              | \$ -        |              |
| Adjustments to revenues  |                  |              | -           |              |
| Adjustments to expenditures                                      |                  |              | -           |              |
| Net change in fund balance (GAAP basis)                          |                  |              | <u>\$ -</u> |              |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 IDEA-B RESULTS PLAN SPECIAL REVENUE FUND (24132)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-10

|  | Budgeted Amounts |               | Actual            | Variance          |
|--|------------------|---------------|-------------------|-------------------|
|  | Original Budget  | Final Budget  |                   |                   |
| <i>Revenues:</i>   |                  |               |                   |                   |
| District school tax levy   | \$ -             | \$ -          | \$ -              | \$ -              |
| State grants   | -                | -             | -                 | -                 |
| Federal grants   | 40,000           | 40,000        | 237,038           | 197,038           |
| Miscellaneous  | -                | -             | -                 | -                 |
| Charges for services   | -                | -             | -                 | -                 |
| Investment income  | -                | -             | -                 | -                 |
| <i>Total revenues</i>  | <u>40,000</u>    | <u>40,000</u> | <u>237,038</u>    | <u>197,038</u>    |
| <i>Expenditures:</i>   |                  |               |                   |                   |
| <i>Current:</i>  |                  |               |                   |                   |
| Instruction  | 40,000           | 40,000        | 33,153            | 6,847             |
| Support services   |                  |               |                   |                   |
| Students   | -                | -             | -                 | -                 |
| Instruction  | -                | -             | -                 | -                 |
| General administration   | -                | -             | -                 | -                 |
| School administration  | -                | -             | -                 | -                 |
| Central services   | -                | -             | -                 | -                 |
| Operation & maintenance of plant                                 | -                | -             | -                 | -                 |
| Student transportation   | -                | -             | -                 | -                 |
| Other support services   | -                | -             | -                 | -                 |
| Food services operations   | -                | -             | -                 | -                 |
| Community services   | -                | -             | -                 | -                 |
| Capital outlay   | -                | -             | -                 | -                 |
| Debt service   |                  |               |                   |                   |
| Principal  | -                | -             | -                 | -                 |
| Interest   | -                | -             | -                 | -                 |
| <i>Total expenditures</i>  | <u>40,000</u>    | <u>40,000</u> | <u>33,153</u>     | <u>6,847</u>      |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>      | <u>203,885</u>    | <u>203,885</u>    |
| <i>Other financing sources (uses):</i>                           |                  |               |                   |                   |
| Designated cash  | -                | -             | -                 | -                 |
| Operating transfers  | -                | -             | -                 | -                 |
| Proceeds from bond issues  | -                | -             | -                 | -                 |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>      | <u>-</u>          | <u>-</u>          |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>      | <u>203,885</u>    | <u>203,885</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -             | (211,688)         | (211,688)         |
| Prior period adjustments   | -                | -             | -                 | -                 |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>      | <u>(211,688)</u>  | <u>(211,688)</u>  |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ (7,803)</u> | <u>\$ (7,803)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |               |                   |                   |
| Net change in fund balance (cash basis)                          |                  |               | \$ 203,885        |                   |
| Adjustments to revenues  |                  |               | (203,885)         |                   |
| Adjustments to expenditures                                      |                  |               | -                 |                   |
| Net change in fund balance (GAAP basis)                          |                  |               | <u>\$ -</u>       |                   |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND (24153)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-11

|  | Budgeted Amounts |               | Actual             | Variance           |
|--|------------------|---------------|--------------------|--------------------|
|  | Original Budget  | Final Budget  |                    |                    |
| <i>Revenues:</i>   |                  |               |                    |                    |
| District school tax levy   | \$ -             | \$ -          | \$ -               | \$ -               |
| State grants   | -                | -             | -                  | -                  |
| Federal grants   | 29,610           | 41,732        | 34,660             | (7,072)            |
| Miscellaneous  | -                | -             | -                  | -                  |
| Charges for services   | -                | -             | -                  | -                  |
| Investment income  | -                | -             | -                  | -                  |
| <i>Total revenues</i>  | <u>29,610</u>    | <u>41,732</u> | <u>34,660</u>      | <u>(7,072)</u>     |
| <i>Expenditures:</i>   |                  |               |                    |                    |
| <i>Current:</i>  |                  |               |                    |                    |
| Instruction  | 26,461           | 35,897        | 22,892             | 13,005             |
| Support services   |                  |               |                    |                    |
| Students   | 214              | 800           | 240                | 560                |
| Instruction  | -                | -             | -                  | -                  |
| General administration   | 581              | 819           | 536                | 283                |
| School administration  | 500              | 2,339         | 2,333              | 6                  |
| Central services   | -                | -             | -                  | -                  |
| Operation & maintenance of plant                                 | -                | -             | -                  | -                  |
| Student transportation   | -                | -             | -                  | -                  |
| Other support services   | -                | -             | -                  | -                  |
| Food services operations   | -                | -             | -                  | -                  |
| Community services   | 1,854            | 1,877         | 1,874              | 3                  |
| Capital outlay   | -                | -             | -                  | -                  |
| Debt service   |                  |               |                    |                    |
| Principal  | -                | -             | -                  | -                  |
| Interest   | -                | -             | -                  | -                  |
| <i>Total expenditures</i>  | <u>29,610</u>    | <u>41,732</u> | <u>27,875</u>      | <u>13,857</u>      |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>      | <u>6,785</u>       | <u>6,785</u>       |
| <i>Other financing sources (uses):</i>                           |                  |               |                    |                    |
| Designated cash  | -                | -             | -                  | -                  |
| Operating transfers  | -                | -             | -                  | -                  |
| Proceeds from bond issues  | -                | -             | -                  | -                  |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>      | <u>-</u>           | <u>-</u>           |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>      | <u>6,785</u>       | <u>6,785</u>       |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -             | (18,392)           | (18,392)           |
| Prior period adjustments   | -                | -             | -                  | -                  |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>      | <u>(18,392)</u>    | <u>(18,392)</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ (11,607)</u> | <u>\$ (11,607)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |               |                    |                    |
| Net change in fund balance (cash basis)                          |                  |               | \$ 6,785           |                    |
| Adjustments to revenues  |                  |               | (6,785)            |                    |
| Adjustments to expenditures                                      |                  |               | -                  |                    |
| Net change in fund balance (GAAP basis)                          |                  |               | <u>\$ -</u>        |                    |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 TEACHER/PRINCIPAL TRAINING & RECRUITING SPECIAL REVENUE FUND (24154)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-12

|  | Budgeted Amounts |                | Actual             | Variance           |
|--|------------------|----------------|--------------------|--------------------|
|  | Original Budget  | Final Budget   |                    |                    |
| <i>Revenues:</i>   |                  |                |                    |                    |
| District school tax levy   | \$ -             | \$ -           | \$ -               | \$ -               |
| State grants   | -                | -              | -                  | -                  |
| Federal grants   | 166,203          | 155,993        | 210,317            | 54,324             |
| Miscellaneous  | -                | -              | -                  | -                  |
| Charges for services   | -                | -              | -                  | -                  |
| Investment income  | -                | -              | -                  | -                  |
| <i>Total revenues</i>  | <u>166,203</u>   | <u>155,993</u> | <u>210,317</u>     | <u>54,324</u>      |
| <i>Expenditures:</i>   |                  |                |                    |                    |
| <i>Current:</i>  |                  |                |                    |                    |
| Instruction  | 161,203          | 151,421        | 150,898            | 523                |
| Support services   |                  |                |                    |                    |
| Students   | -                | -              | -                  | -                  |
| Instruction  | -                | -              | -                  | -                  |
| General administration   | 5,000            | 4,572          | 4,572              | -                  |
| School administration  | -                | -              | -                  | -                  |
| Central services   | -                | -              | -                  | -                  |
| Operation & maintenance of plant                                 | -                | -              | -                  | -                  |
| Student transportation   | -                | -              | -                  | -                  |
| Other support services   | -                | -              | -                  | -                  |
| Food services operations   | -                | -              | -                  | -                  |
| Community services   | -                | -              | -                  | -                  |
| Capital outlay   | -                | -              | -                  | -                  |
| Debt service   |                  |                |                    |                    |
| Principal  | -                | -              | -                  | -                  |
| Interest   | -                | -              | -                  | -                  |
| <i>Total expenditures</i>  | <u>166,203</u>   | <u>155,993</u> | <u>155,470</u>     | <u>523</u>         |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>       | <u>54,847</u>      | <u>54,847</u>      |
| <i>Other financing sources (uses):</i>                           |                  |                |                    |                    |
| Designated cash  | -                | -              | -                  | -                  |
| Operating transfers  | -                | -              | -                  | -                  |
| Proceeds from bond issues  | -                | -              | -                  | -                  |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>       | <u>-</u>           | <u>-</u>           |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>       | <u>54,847</u>      | <u>54,847</u>      |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -              | (72,399)           | (72,399)           |
| Prior period adjustments   | -                | -              | -                  | -                  |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>       | <u>(72,399)</u>    | <u>(72,399)</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ (17,552)</u> | <u>\$ (17,552)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                |                    |                    |
| Net change in fund balance (cash basis)                          |                  |                | \$ 54,847          |                    |
| Adjustments to revenues  |                  |                | (7,530)            |                    |
| Adjustments to expenditures                                      |                  |                | -                  |                    |
| Net change in fund balance (GAAP basis)                          |                  |                | <u>\$ 47,317</u>   |                    |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 TITLE I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND (24162)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-13

|  | Budgeted Amounts |               |                 |                 |
|--|------------------|---------------|-----------------|-----------------|
|  | Original Budget  | Final Budget  | Actual          | Variance        |
| <i>Revenues:</i>   |                  |               |                 |                 |
| District school tax levy   | \$ -             | \$ -          | \$ -            | \$ -            |
| State grants   | -                | -             | -               | -               |
| Federal grants   | -                | 70,000        | 22,112          | (47,888)        |
| Miscellaneous  | -                | -             | -               | -               |
| Charges for services   | -                | -             | -               | -               |
| Investment income  | -                | -             | -               | -               |
| <i>Total revenues</i>  | <u>-</u>         | <u>70,000</u> | <u>22,112</u>   | <u>(47,888)</u> |
| <i>Expenditures:</i>   |                  |               |                 |                 |
| <i>Current:</i>  |                  |               |                 |                 |
| Instruction  | -                | 68,995        | 22,043          | 46,952          |
| Support services   |                  |               |                 |                 |
| Students   | -                | -             | -               | -               |
| Instruction  | -                | -             | -               | -               |
| General administration   | -                | 1,005         | 886             | 119             |
| School administration  | -                | -             | -               | -               |
| Central services   | -                | -             | -               | -               |
| Operation & maintenance of plant                                 | -                | -             | -               | -               |
| Student transportation   | -                | -             | -               | -               |
| Other support services   | -                | -             | -               | -               |
| Food services operations   | -                | -             | -               | -               |
| Community services   | -                | -             | -               | -               |
| Capital outlay   | -                | -             | -               | -               |
| Debt service   |                  |               |                 |                 |
| Principal  | -                | -             | -               | -               |
| Interest   | -                | -             | -               | -               |
| <i>Total expenditures</i>  | <u>-</u>         | <u>70,000</u> | <u>22,929</u>   | <u>47,071</u>   |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>      | <u>(817)</u>    | <u>(817)</u>    |
| <i>Other financing sources (uses):</i>                           |                  |               |                 |                 |
| Designated cash  | -                | -             | -               | -               |
| Operating transfers  | -                | -             | -               | -               |
| Proceeds from bond issues  | -                | -             | -               | -               |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>      | <u>-</u>        | <u>-</u>        |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>      | <u>(817)</u>    | <u>(817)</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -             | -               | -               |
| Prior period adjustments   | -                | -             | -               | -               |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>      | <u>-</u>        | <u>-</u>        |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ (817)</u> | <u>\$ (817)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |               |                 |                 |
| Net change in fund balance (cash basis)                          |                  |               | \$ (817)        |                 |
| Adjustments to revenues  |                  |               | 817             |                 |
| Adjustments to expenditures                                      |                  |               | -               |                 |
| Net change in fund balance (GAAP basis)                          |                  |               | <u>\$ -</u>     |                 |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 CARL D PERKINS SECONDARY - CURRENT SPECIAL REVENUE FUND (24174)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-14

|  | Budgeted Amounts |              | Actual          | Variance        |
|--|------------------|--------------|-----------------|-----------------|
|  | Original Budget  | Final Budget |                 |                 |
| <i>Revenues:</i>   |                  |              |                 |                 |
| District school tax levy   | \$ -             | \$ -         | \$ -            | \$ -            |
| State grants   | -                | -            | -               | -               |
| Federal grants   | -                | -            | 16,943          | 16,943          |
| Miscellaneous  | -                | -            | -               | -               |
| Charges for services   | -                | -            | -               | -               |
| Investment income  | -                | -            | -               | -               |
| <i>Total revenues</i>  | <u>-</u>         | <u>-</u>     | <u>16,943</u>   | <u>16,943</u>   |
| <i>Expenditures:</i>   |                  |              |                 |                 |
| Current:   |                  |              |                 |                 |
| Instruction  | -                | -            | -               | -               |
| Support services   |                  |              |                 |                 |
| Students   | -                | -            | -               | -               |
| Instruction  | -                | -            | -               | -               |
| General administration   | -                | -            | -               | -               |
| School administration  | -                | -            | -               | -               |
| Central services   | -                | -            | -               | -               |
| Operation & maintenance of plant                                 | -                | -            | -               | -               |
| Student transportation   | -                | -            | -               | -               |
| Other support services   | -                | -            | -               | -               |
| Food services operations   | -                | -            | -               | -               |
| Community services   | -                | -            | -               | -               |
| Capital outlay   | -                | -            | -               | -               |
| Debt service   |                  |              |                 |                 |
| Principal  | -                | -            | -               | -               |
| Interest   | -                | -            | -               | -               |
| <i>Total expenditures</i>  | <u>-</u>         | <u>-</u>     | <u>-</u>        | <u>-</u>        |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>     | <u>16,943</u>   | <u>16,943</u>   |
| <i>Other financing sources (uses):</i>                           |                  |              |                 |                 |
| Designated cash  | -                | -            | -               | -               |
| Operating transfers  | -                | -            | -               | -               |
| Proceeds from bond issues  | -                | -            | -               | -               |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>     | <u>-</u>        | <u>-</u>        |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>     | <u>16,943</u>   | <u>16,943</u>   |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -            | (16,943)        | (16,943)        |
| Prior period adjustments   | -                | -            | -               | -               |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>     | <u>(16,943)</u> | <u>(16,943)</u> |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>  | <u>\$ -</u>     | <u>\$ -</u>     |
| <i>Reconciliation to GAAP basis:</i>                             |                  |              |                 |                 |
| Net change in fund balance (cash basis)                          |                  |              | \$ 16,943       |                 |
| Adjustments to revenues  |                  |              | (16,943)        |                 |
| Adjustments to expenditures                                      |                  |              | -               |                 |
| Net change in fund balance (GAAP basis)                          |                  |              | <u>\$ -</u>     |                 |

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

## STATE OF NEW MEXICO

Statement B-15

## BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

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

## CARL D PERKINS SECONDARY - REDISTRIBUTION SPECIAL REVENUE FUND (24176)

## FOR THE YEAR ENDING JUNE 30, 2016

|  | Budgeted Amounts |               | Actual            | Variance          |
|--|------------------|---------------|-------------------|-------------------|
|  | Original Budget  | Final Budget  |                   |                   |
| <i>Revenues:</i>   |                  |               |                   |                   |
| District school tax levy   | \$ -             | \$ -          | \$ -              | \$ -              |
| State grants   | -                | -             | -                 | -                 |
| Federal grants   | 9,548            | 16,147        | 9,195             | (6,952)           |
| Miscellaneous  | -                | -             | -                 | -                 |
| Charges for services   | -                | -             | -                 | -                 |
| Investment income  | -                | -             | -                 | -                 |
| <i>Total revenues</i>  | <u>9,548</u>     | <u>16,147</u> | <u>9,195</u>      | <u>(6,952)</u>    |
| <i>Expenditures:</i>   |                  |               |                   |                   |
| <i>Current:</i>  |                  |               |                   |                   |
| Instruction  | 9,548            | 16,147        | 10,331            | 5,816             |
| Support services   |                  |               |                   |                   |
| Students   | -                | -             | -                 | -                 |
| Instruction  | -                | -             | -                 | -                 |
| General administration   | -                | -             | -                 | -                 |
| School administration  | -                | -             | -                 | -                 |
| Central services   | -                | -             | -                 | -                 |
| Operation & maintenance of plant                                 | -                | -             | -                 | -                 |
| Student transportation   | -                | -             | -                 | -                 |
| Other support services   | -                | -             | -                 | -                 |
| Food services operations   | -                | -             | -                 | -                 |
| Community services   | -                | -             | -                 | -                 |
| Capital outlay   | -                | -             | -                 | -                 |
| Debt service   |                  |               |                   |                   |
| Principal  | -                | -             | -                 | -                 |
| Interest   | -                | -             | -                 | -                 |
| <i>Total expenditures</i>  | <u>9,548</u>     | <u>16,147</u> | <u>10,331</u>     | <u>5,816</u>      |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>      | <u>(1,136)</u>    | <u>(1,136)</u>    |
| <i>Other financing sources (uses):</i>                           |                  |               |                   |                   |
| Designated cash  | -                | -             | -                 | -                 |
| Operating transfers  | -                | -             | -                 | -                 |
| Proceeds from bond issues  | -                | -             | -                 | -                 |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>      | <u>-</u>          | <u>-</u>          |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>      | <u>(1,136)</u>    | <u>(1,136)</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -             | -                 | -                 |
| Prior period adjustments   | -                | -             | -                 | -                 |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>      | <u>-</u>          | <u>-</u>          |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ (1,136)</u> | <u>\$ (1,136)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |               |                   |                   |
| Net change in fund balance (cash basis)                          |                  |               | \$ (1,136)        |                   |
| Adjustments to revenues  |                  |               | 1,136             |                   |
| Adjustments to expenditures                                      |                  |               | -                 |                   |
| Net change in fund balance (GAAP basis)                          |                  |               | <u>\$ -</u>       |                   |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 JOHNSON O'MALLEY SPECIAL REVENUE FUND (25131)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-16

|  | Budgeted Amounts |               | Actual             | Variance           |
|--|------------------|---------------|--------------------|--------------------|
|  | Original Budget  | Final Budget  |                    |                    |
| <i>Revenues:</i>   |                  |               |                    |                    |
| District school tax levy   | \$ -             | \$ -          | \$ -               | \$ -               |
| State grants   | -                | -             | -                  | -                  |
| Federal grants   | 66,285           | 83,334        | 67,090             | (16,244)           |
| Miscellaneous  | -                | -             | -                  | -                  |
| Charges for services   | -                | -             | -                  | -                  |
| Investment income  | -                | -             | -                  | -                  |
| <i>Total revenues</i>  | <u>66,285</u>    | <u>83,334</u> | <u>67,090</u>      | <u>(16,244)</u>    |
| <i>Expenditures:</i>   |                  |               |                    |                    |
| <i>Current:</i>  |                  |               |                    |                    |
| Instruction  | 16,491           | 36,773        | 20,077             | 16,696             |
| Support services   |                  |               |                    |                    |
| Students   | 37,699           | 35,537        | 34,126             | 1,411              |
| Instruction  | -                | -             | -                  | -                  |
| General administration   | 1,851            | 2,135         | 2,135              | -                  |
| School administration  | 10,244           | 8,889         | 8,650              | 239                |
| Central services   | -                | -             | -                  | -                  |
| Operation & maintenance of plant                                 | -                | -             | -                  | -                  |
| Student transportation   | -                | -             | -                  | -                  |
| Other support services   | -                | -             | -                  | -                  |
| Food services operations   | -                | -             | -                  | -                  |
| Community services   | -                | -             | -                  | -                  |
| Capital outlay   | -                | -             | -                  | -                  |
| Debt service   |                  |               |                    |                    |
| Principal  | -                | -             | -                  | -                  |
| Interest   | -                | -             | -                  | -                  |
| <i>Total expenditures</i>  | <u>66,285</u>    | <u>83,334</u> | <u>64,988</u>      | <u>18,346</u>      |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>      | <u>2,102</u>       | <u>2,102</u>       |
| <i>Other financing sources (uses):</i>                           |                  |               |                    |                    |
| Designated cash  | -                | -             | -                  | -                  |
| Operating transfers  | -                | -             | -                  | -                  |
| Proceeds from bond issues  | -                | -             | -                  | -                  |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>      | <u>-</u>           | <u>-</u>           |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>      | <u>2,102</u>       | <u>2,102</u>       |
| <i>Cash or fund balance - beginning of year</i>                  | <u>-</u>         | <u>-</u>      | <u>(14,453)</u>    | <u>(14,453)</u>    |
| Prior period adjustments   | -                | -             | -                  | -                  |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>      | <u>(14,453)</u>    | <u>(14,453)</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ (12,351)</u> | <u>\$ (12,351)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |               |                    |                    |
| Net change in fund balance (cash basis)                          |                  |               | \$ 2,102           |                    |
| Adjustments to revenues  |                  |               | 12,457             |                    |
| Adjustments to expenditures                                      |                  |               | 7,414              |                    |
| Net change in fund balance (GAAP basis)                          |                  |               | <u>\$ 21,973</u>   |                    |

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



STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND (25145)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-17

|  | Budgeted Amounts |                 | Actual           | Variance         |
|--|------------------|-----------------|------------------|------------------|
|  | Original Budget  | Final Budget    |                  |                  |
| <i>Revenues:</i>   |                  |                 |                  |                  |
| District school tax levy   | \$ -             | \$ -            | \$ -             | \$ -             |
| State grants   | -                | -               | -                | -                |
| Federal grants   | 78,435           | 72,539          | 73,503           | 964              |
| Miscellaneous  | -                | -               | -                | -                |
| Charges for services   | -                | -               | -                | -                |
| Investment income  | -                | -               | -                | -                |
| <i>Total revenues</i>  | <u>78,435</u>    | <u>72,539</u>   | <u>73,503</u>    | <u>964</u>       |
| <i>Expenditures:</i>   |                  |                 |                  |                  |
| <i>Current:</i>  |                  |                 |                  |                  |
| Instruction  | -                | -               | -                | -                |
| Support services   |                  |                 |                  |                  |
| Students   | 50,629           | 25,576          | 209              | 25,367           |
| Instruction  | -                | -               | -                | -                |
| General administration   | 3,154            | 3,154           | 2,479            | 675              |
| School administration  | 42,357           | 61,514          | 61,430           | 84               |
| Central services   | -                | -               | -                | -                |
| Operation & maintenance of plant                                 | -                | -               | -                | -                |
| Student transportation   | -                | -               | -                | -                |
| Other support services   | -                | -               | -                | -                |
| Food services operations   | -                | -               | -                | -                |
| Community services   | -                | -               | -                | -                |
| Capital outlay   | -                | -               | -                | -                |
| Debt service   |                  |                 |                  |                  |
| Principal  | -                | -               | -                | -                |
| Interest   | -                | -               | -                | -                |
| <i>Total expenditures</i>  | <u>96,140</u>    | <u>90,244</u>   | <u>64,118</u>    | <u>26,126</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(17,705)</u>  | <u>(17,705)</u> | <u>9,385</u>     | <u>27,090</u>    |
| <i>Other financing sources (uses):</i>                           |                  |                 |                  |                  |
| Designated cash  | 17,705           | 17,705          | -                | (17,705)         |
| Operating transfers  | -                | -               | -                | -                |
| Proceeds from bond issues  | -                | -               | -                | -                |
| <i>Total other financing sources (uses)</i>                      | <u>17,705</u>    | <u>17,705</u>   | <u>-</u>         | <u>(17,705)</u>  |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>        | <u>9,385</u>     | <u>9,385</u>     |
| <i>Cash or fund balance - beginning of year</i>                  | <u>-</u>         | <u>-</u>        | <u>11,809</u>    | <u>11,809</u>    |
| Prior period adjustments   | -                | -               | -                | -                |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>        | <u>11,809</u>    | <u>11,809</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 21,194</u> | <u>\$ 21,194</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                 |                  |                  |
| Net change in fund balance (cash basis)                          |                  |                 | \$ 9,385         |                  |
| Adjustments to revenues  |                  |                 | -                |                  |
| Adjustments to expenditures                                      |                  |                 | -                |                  |
| Net change in fund balance (GAAP basis)                          |                  |                 | <u>\$ 9,385</u>  |                  |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 IMPACT AID INDIAN EDUCATION SPECIAL REVENUE FUND (25147)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-18

|  | Budgeted Amounts |                 | Actual             | Variance         |
|--|------------------|-----------------|--------------------|------------------|
|  | Original Budget  | Final Budget    |                    |                  |
| <i>Revenues:</i>   |                  |                 |                    |                  |
| District school tax levy   | \$ -             | \$ -            | \$ -               | \$ -             |
| State grants   | -                | -               | -                  | -                |
| Federal grants   | 155,800          | 155,800         | 147,211            | (8,589)          |
| Miscellaneous  | -                | -               | -                  | -                |
| Charges for services   | -                | -               | -                  | -                |
| Investment income  | -                | -               | -                  | -                |
| <i>Total revenues</i>  | <u>155,800</u>   | <u>155,800</u>  | <u>147,211</u>     | <u>(8,589)</u>   |
| <i>Expenditures:</i>   |                  |                 |                    |                  |
| <i>Current:</i>  |                  |                 |                    |                  |
| Instruction  | 41,430           | 98,827          | 64,157             | 34,670           |
| Support services   |                  |                 |                    |                  |
| Students   | 63,631           | 80,922          | 68,172             | 12,750           |
| Instruction  | -                | 2,125           | 2,095              | 30               |
| General administration   | 6,265            | 12,628          | 7,304              | 5,324            |
| School administration  | 44,749           | 49,941          | 47,165             | 2,776            |
| Central services   | -                | -               | -                  | -                |
| Operation & maintenance of plant                                 | -                | -               | -                  | -                |
| Student transportation   | -                | 253             | 29                 | 224              |
| Other support services   | -                | -               | -                  | -                |
| Food services operations   | -                | -               | -                  | -                |
| Community services   | -                | -               | -                  | -                |
| Capital outlay   | -                | -               | -                  | -                |
| Debt service   |                  |                 |                    |                  |
| Principal  | -                | -               | -                  | -                |
| Interest   | -                | -               | -                  | -                |
| <i>Total expenditures</i>  | <u>156,075</u>   | <u>244,696</u>  | <u>188,922</u>     | <u>55,774</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(275)</u>     | <u>(88,896)</u> | <u>(41,711)</u>    | <u>47,185</u>    |
| <i>Other financing sources (uses):</i>                           |                  |                 |                    |                  |
| Designated cash  | 275              | 88,896          | -                  | (88,896)         |
| Operating transfers  | -                | -               | -                  | -                |
| Proceeds from bond issues  | -                | -               | -                  | -                |
| <i>Total other financing sources (uses)</i>                      | <u>275</u>       | <u>88,896</u>   | <u>-</u>           | <u>(88,896)</u>  |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>        | <u>(41,711)</u>    | <u>(41,711)</u>  |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -               | 88,896             | 88,896           |
| Prior period adjustments   | -                | -               | -                  | -                |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>        | <u>88,896</u>      | <u>88,896</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 47,185</u>   | <u>\$ 47,185</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                 |                    |                  |
| Net change in fund balance (cash basis)                          |                  |                 | \$ (41,711)        |                  |
| Adjustments to revenues  |                  |                 | -                  |                  |
| Adjustments to expenditures                                      |                  |                 | (3,266)            |                  |
| Net change in fund balance (GAAP basis)                          |                  |                 | <u>\$ (44,977)</u> |                  |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 TITLE XIX MEDICAID 3/21 YEARS SPECIAL REVENUE FUND (25153)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-19

|  | Budgeted Amounts |                 | Actual             | Variance         |
|--|------------------|-----------------|--------------------|------------------|
|  | Original Budget  | Final Budget    |                    |                  |
| <i>Revenues:</i>   |                  |                 |                    |                  |
| District school tax levy   | \$ -             | \$ -            | \$ -               | \$ -             |
| State grants   | -                | -               | -                  | -                |
| Federal grants   | 250,000          | 250,000         | 234,668            | (15,332)         |
| Miscellaneous  | -                | -               | -                  | -                |
| Charges for services   | -                | -               | -                  | -                |
| Investment income  | -                | -               | -                  | -                |
| <i>Total revenues</i>  | <u>250,000</u>   | <u>250,000</u>  | <u>234,668</u>     | <u>(15,332)</u>  |
| <i>Expenditures:</i>   |                  |                 |                    |                  |
| <i>Current:</i>  |                  |                 |                    |                  |
| Instruction  | -                | -               | -                  | -                |
| Support services   |                  |                 |                    |                  |
| Students   | 306,329          | 326,964         | 256,643            | 70,321           |
| Instruction  | -                | -               | -                  | -                |
| General administration   | -                | -               | -                  | -                |
| School administration  | -                | -               | -                  | -                |
| Central services   | -                | -               | -                  | -                |
| Operation & maintenance of plant                                 | -                | -               | -                  | -                |
| Student transportation   | -                | -               | -                  | -                |
| Other support services   | -                | -               | -                  | -                |
| Food services operations   | -                | -               | -                  | -                |
| Community services   | -                | -               | -                  | -                |
| Capital outlay   | -                | -               | -                  | -                |
| Debt service   |                  |                 |                    |                  |
| Principal  | -                | -               | -                  | -                |
| Interest   | -                | -               | -                  | -                |
| <i>Total expenditures</i>  | <u>306,329</u>   | <u>326,964</u>  | <u>256,643</u>     | <u>70,321</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(56,329)</u>  | <u>(76,964)</u> | <u>(21,975)</u>    | <u>54,989</u>    |
| <i>Other financing sources (uses):</i>                           |                  |                 |                    |                  |
| Designated cash  | 56,329           | 76,964          | -                  | (76,964)         |
| Operating transfers  | -                | -               | -                  | -                |
| Proceeds from bond issues  | -                | -               | -                  | -                |
| <i>Total other financing sources (uses)</i>                      | <u>56,329</u>    | <u>76,964</u>   | <u>-</u>           | <u>(76,964)</u>  |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>        | <u>(21,975)</u>    | <u>(21,975)</u>  |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -               | 76,964             | 76,964           |
| Prior period adjustments   | -                | -               | -                  | -                |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>        | <u>76,964</u>      | <u>76,964</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 54,989</u>   | <u>\$ 54,989</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                 |                    |                  |
| Net change in fund balance (cash basis)                          |                  |                 | \$ (21,975)        |                  |
| Adjustments to revenues  |                  |                 | 10,161             |                  |
| Adjustments to expenditures                                      |                  |                 | -                  |                  |
| Net change in fund balance (GAAP basis)                          |                  |                 | <u>\$ (11,814)</u> |                  |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 INDIAN ED FORMULA GRANT SPECIAL REVENUE FUND (25184)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-20

|  | Budgeted Amounts |                | Actual             | Variance           |
|--|------------------|----------------|--------------------|--------------------|
|  | Original Budget  | Final Budget   |                    |                    |
| <i>Revenues:</i>   |                  |                |                    |                    |
| District school tax levy   | \$ -             | \$ -           | \$ -               | \$ -               |
| State grants   | -                | -              | -                  | -                  |
| Federal grants   | 187,156          | 188,407        | 189,366            | 959                |
| Miscellaneous  | -                | -              | -                  | -                  |
| Charges for services   | -                | -              | -                  | -                  |
| Investment income  | -                | -              | -                  | -                  |
| <i>Total revenues</i>  | <u>187,156</u>   | <u>188,407</u> | <u>189,366</u>     | <u>959</u>         |
| <i>Expenditures:</i>   |                  |                |                    |                    |
| <i>Current:</i>  |                  |                |                    |                    |
| Instruction  | 104,256          | 108,530        | 107,454            | 1,076              |
| Support services   |                  |                |                    |                    |
| Students   | 15,048           | 14,147         | 14,141             | 6                  |
| Instruction  | -                | -              | -                  | -                  |
| General administration   | 7,526            | 7,577          | 7,183              | 394                |
| School administration  | 60,326           | 58,153         | 57,833             | 320                |
| Central services   | -                | -              | -                  | -                  |
| Operation & maintenance of plant                                 | -                | -              | -                  | -                  |
| Student transportation   | -                | -              | -                  | -                  |
| Other support services   | -                | -              | -                  | -                  |
| Food services operations   | -                | -              | -                  | -                  |
| Community services   | -                | -              | -                  | -                  |
| Capital outlay   | -                | -              | -                  | -                  |
| Debt service   |                  |                |                    |                    |
| Principal  | -                | -              | -                  | -                  |
| Interest   | -                | -              | -                  | -                  |
| <i>Total expenditures</i>  | <u>187,156</u>   | <u>188,407</u> | <u>186,611</u>     | <u>1,796</u>       |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>       | <u>2,755</u>       | <u>2,755</u>       |
| <i>Other financing sources (uses):</i>                           |                  |                |                    |                    |
| Designated cash  | -                | -              | -                  | -                  |
| Operating transfers  | -                | -              | -                  | -                  |
| Proceeds from bond issues  | -                | -              | -                  | -                  |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>       | <u>-</u>           | <u>-</u>           |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>       | <u>2,755</u>       | <u>2,755</u>       |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -              | (19,366)           | (19,366)           |
| Prior period adjustments   | -                | -              | -                  | -                  |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>       | <u>(19,366)</u>    | <u>(19,366)</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ (16,611)</u> | <u>\$ (16,611)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                |                    |                    |
| Net change in fund balance (cash basis)                          |                  |                | \$ 2,755           |                    |
| Adjustments to revenues  |                  |                | (11,907)           |                    |
| Adjustments to expenditures                                      |                  |                | -                  |                    |
| Net change in fund balance (GAAP basis)                          |                  |                | <u>\$ (9,152)</u>  |                    |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 GOLDEN APPLE FOUNDATION SPECIAL REVENUE FUND (26163)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-21

|  | Budgeted Amounts |              |             |             |
|--|------------------|--------------|-------------|-------------|
|  | Original Budget  | Final Budget | Actual      | Variance    |
| <i>Revenues:</i>   |                  |              |             |             |
| District school tax levy   | \$ -             | \$ -         | \$ -        | \$ -        |
| State grants   | -                | -            | -           | -           |
| Federal grants   | -                | -            | -           | -           |
| Miscellaneous  | -                | 920          | 920         | -           |
| Charges for services   | -                | -            | -           | -           |
| Investment income  | -                | -            | -           | -           |
| <i>Total revenues</i>  | <u>-</u>         | <u>920</u>   | <u>920</u>  | <u>-</u>    |
| <i>Expenditures:</i>   |                  |              |             |             |
| <i>Current:</i>  |                  |              |             |             |
| Instruction  | -                | 920          | 920         | -           |
| Support services   |                  |              |             |             |
| Students   | -                | -            | -           | -           |
| Instruction  | -                | -            | -           | -           |
| General administration   | -                | -            | -           | -           |
| School administration  | -                | -            | -           | -           |
| Central services   | -                | -            | -           | -           |
| Operation & maintenance of plant                                 | -                | -            | -           | -           |
| Student transportation   | -                | -            | -           | -           |
| Other support services   | -                | -            | -           | -           |
| Food services operations   | -                | -            | -           | -           |
| Community services   | -                | -            | -           | -           |
| Capital outlay   | -                | -            | -           | -           |
| Debt service   |                  |              |             |             |
| Principal  | -                | -            | -           | -           |
| Interest   | -                | -            | -           | -           |
| <i>Total expenditures</i>  | <u>-</u>         | <u>920</u>   | <u>920</u>  | <u>-</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>     | <u>-</u>    | <u>-</u>    |
| <i>Other financing sources (uses):</i>                           |                  |              |             |             |
| Designated cash  | -                | -            | -           | -           |
| Operating transfers  | -                | -            | -           | -           |
| Proceeds from bond issues  | -                | -            | -           | -           |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>     | <u>-</u>    | <u>-</u>    |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>     | <u>-</u>    | <u>-</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -            | -           | -           |
| Prior period adjustments   | -                | -            | -           | -           |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>     | <u>-</u>    | <u>-</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>  | <u>\$ -</u> | <u>\$ -</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |              |             |             |
| Net change in fund balance (cash basis)                          |                  |              | \$ -        |             |
| Adjustments to revenues  |                  |              | -           |             |
| Adjustments to expenditures                                      |                  |              | -           |             |
| Net change in fund balance (GAAP basis)                          |                  |              | <u>\$ -</u> |             |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 CONOCO PHILLIPS SCHOOL GRANT SPECIAL REVENUE FUND (26200)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-22

|  | Budgeted Amounts |                | Actual          | Variance        |
|--|------------------|----------------|-----------------|-----------------|
|  | Original Budget  | Final Budget   |                 |                 |
| <i>Revenues:</i>   |                  |                |                 |                 |
| District school tax levy   | \$ -             | \$ -           | \$ -            | \$ -            |
| State grants   | -                | -              | -               | -               |
| Federal grants   | -                | -              | -               | -               |
| Miscellaneous  | -                | 11,187         | 11,187          | -               |
| Charges for services   | -                | -              | -               | -               |
| Investment income  | -                | -              | -               | -               |
| <i>Total revenues</i>  | <u>-</u>         | <u>11,187</u>  | <u>11,187</u>   | <u>-</u>        |
| <i>Expenditures:</i>   |                  |                |                 |                 |
| <i>Current:</i>  |                  |                |                 |                 |
| Instruction  | 2,000            | 13,563         | 8,377           | 5,186           |
| Support services   |                  |                |                 |                 |
| Students   | -                | -              | -               | -               |
| Instruction  | -                | -              | -               | -               |
| General administration   | -                | -              | -               | -               |
| School administration  | -                | -              | -               | -               |
| Central services   | -                | -              | -               | -               |
| Operation & maintenance of plant                                 | -                | -              | -               | -               |
| Student transportation   | -                | -              | -               | -               |
| Other support services   | -                | -              | -               | -               |
| Food services operations   | -                | -              | -               | -               |
| Community services   | -                | -              | -               | -               |
| Capital outlay   | -                | -              | -               | -               |
| Debt service   |                  |                |                 |                 |
| Principal  | -                | -              | -               | -               |
| Interest   | -                | -              | -               | -               |
| <i>Total expenditures</i>  | <u>2,000</u>     | <u>13,563</u>  | <u>8,377</u>    | <u>5,186</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(2,000)</u>   | <u>(2,376)</u> | <u>2,810</u>    | <u>5,186</u>    |
| <i>Other financing sources (uses):</i>                           |                  |                |                 |                 |
| Designated cash  | 2,000            | 2,376          | -               | (2,376)         |
| Operating transfers  | -                | -              | -               | -               |
| Proceeds from bond issues  | -                | -              | -               | -               |
| <i>Total other financing sources (uses)</i>                      | <u>2,000</u>     | <u>2,376</u>   | <u>-</u>        | <u>(2,376)</u>  |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>       | <u>2,810</u>    | <u>2,810</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -              | 2,376           | 2,376           |
| Prior period adjustments   | -                | -              | -               | -               |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>       | <u>2,376</u>    | <u>2,376</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ 5,186</u> | <u>\$ 5,186</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                |                 |                 |
| Net change in fund balance (cash basis)                          |                  |                | \$ 2,810        |                 |
| Adjustments to revenues  |                  |                | -               |                 |
| Adjustments to expenditures                                      |                  |                | -               |                 |
| Net change in fund balance (GAAP basis)                          |                  |                | <u>\$ 2,810</u> |                 |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 DUAL CREDIT INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND (27103)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-23

|  | Budgeted Amounts |              | Actual         | Variance       |
|--|------------------|--------------|----------------|----------------|
|  | Original Budget  | Final Budget |                |                |
| <i>Revenues:</i>   |                  |              |                |                |
| District school tax levy   | \$ -             | \$ -         | \$ -           | \$ -           |
| State grants   | -                | 6,951        | 8,078          | 1,127          |
| Federal grants   | -                | -            | -              | -              |
| Miscellaneous  | -                | -            | -              | -              |
| Charges for services   | -                | -            | -              | -              |
| Investment income  | -                | -            | -              | -              |
| <i>Total revenues</i>  | <u>-</u>         | <u>6,951</u> | <u>8,078</u>   | <u>1,127</u>   |
| <i>Expenditures:</i>   |                  |              |                |                |
| <i>Current:</i>  |                  |              |                |                |
| Instruction  | -                | 6,951        | 6,951          | -              |
| Support services   |                  |              |                |                |
| Students   | -                | -            | -              | -              |
| Instruction  | -                | -            | -              | -              |
| General administration   | -                | -            | -              | -              |
| School administration  | -                | -            | -              | -              |
| Central services   | -                | -            | -              | -              |
| Operation & maintenance of plant                                 | -                | -            | -              | -              |
| Student transportation   | -                | -            | -              | -              |
| Other support services   | -                | -            | -              | -              |
| Food services operations   | -                | -            | -              | -              |
| Community services   | -                | -            | -              | -              |
| Capital outlay   | -                | -            | -              | -              |
| Debt service   |                  |              |                |                |
| Principal  | -                | -            | -              | -              |
| Interest   | -                | -            | -              | -              |
| <i>Total expenditures</i>  | <u>-</u>         | <u>6,951</u> | <u>6,951</u>   | <u>-</u>       |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>     | <u>1,127</u>   | <u>1,127</u>   |
| <i>Other financing sources (uses):</i>                           |                  |              |                |                |
| Designated cash  | -                | -            | -              | -              |
| Operating transfers  | -                | -            | -              | -              |
| Proceeds from bond issues  | -                | -            | -              | -              |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>     | <u>-</u>       | <u>-</u>       |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>     | <u>1,127</u>   | <u>1,127</u>   |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -            | (1,127)        | (1,127)        |
| Prior period adjustments   | -                | -            | -              | -              |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>     | <u>(1,127)</u> | <u>(1,127)</u> |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>  | <u>\$ -</u>    | <u>\$ -</u>    |
| <i>Reconciliation to GAAP basis:</i>                             |                  |              |                |                |
| Net change in fund balance (cash basis)                          |                  |              | \$ 1,127       |                |
| Adjustments to revenues  |                  |              | (1,127)        |                |
| Adjustments to expenditures                                      |                  |              | -              |                |
| Net change in fund balance (GAAP basis)                          |                  |              | <u>\$ -</u>    |                |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 2010 GO BOND STUDENT LIBRARY FUND (SB1) SPECIAL REVENUE FUND (27106)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-24

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

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



STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 2012 GO BOND STUDENT LIBRARY FUND (SB66) SPECIAL REVENUE FUND (27107)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-25

|  | Budgeted Amounts |               | Actual            | Variance          |
|--|------------------|---------------|-------------------|-------------------|
|  | Original Budget  | Final Budget  |                   |                   |
| <i>Revenues:</i>   |                  |               |                   |                   |
| District school tax levy   | \$ -             | \$ -          | \$ -              | \$ -              |
| State grants   | 29,108           | 29,212        | 7,452             | (21,760)          |
| Federal grants   | -                | -             | -                 | -                 |
| Miscellaneous  | -                | -             | -                 | -                 |
| Charges for services   | -                | -             | -                 | -                 |
| Investment income  | -                | -             | -                 | -                 |
| <i>Total revenues</i>  | <u>29,108</u>    | <u>29,212</u> | <u>7,452</u>      | <u>(21,760)</u>   |
| <i>Expenditures:</i>   |                  |               |                   |                   |
| <i>Current:</i>  |                  |               |                   |                   |
| Instruction  | -                | -             | -                 | -                 |
| Support services   |                  |               |                   |                   |
| Students   | -                | -             | -                 | -                 |
| Instruction  | 29,108           | 29,212        | 4,737             | 24,475            |
| General administration   | -                | -             | -                 | -                 |
| School administration  | -                | -             | -                 | -                 |
| Central services   | -                | -             | -                 | -                 |
| Operation & maintenance of plant                                 | -                | -             | -                 | -                 |
| Student transportation   | -                | -             | -                 | -                 |
| Other support services   | -                | -             | -                 | -                 |
| Food services operations   | -                | -             | -                 | -                 |
| Community services   | -                | -             | -                 | -                 |
| Capital outlay   | -                | -             | -                 | -                 |
| Debt service   |                  |               |                   |                   |
| Principal  | -                | -             | -                 | -                 |
| Interest   | -                | -             | -                 | -                 |
| <i>Total expenditures</i>  | <u>29,108</u>    | <u>29,212</u> | <u>4,737</u>      | <u>24,475</u>     |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>      | <u>2,715</u>      | <u>2,715</u>      |
| <i>Other financing sources (uses):</i>                           |                  |               |                   |                   |
| Designated cash  | -                | -             | -                 | -                 |
| Operating transfers  | -                | -             | -                 | -                 |
| Proceeds from bond issues  | -                | -             | -                 | -                 |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>      | <u>-</u>          | <u>-</u>          |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>      | <u>2,715</u>      | <u>2,715</u>      |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -             | (7,452)           | (7,452)           |
| Prior period adjustments   | -                | -             | -                 | -                 |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>      | <u>(7,452)</u>    | <u>(7,452)</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ (4,737)</u> | <u>\$ (4,737)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |               |                   |                   |
| Net change in fund balance (cash basis)                          |                  |               | \$ 2,715          |                   |
| Adjustments to revenues  |                  |               | 4,737             |                   |
| Adjustments to expenditures                                      |                  |               | -                 |                   |
| Net change in fund balance (GAAP basis)                          |                  |               | <u>\$ 7,452</u>   |                   |

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

## STATE OF NEW MEXICO

Statement B-26

## BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

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

## NEW MEXICO READS TO LEAD K-3 READING INITIATIVE SPECIAL REVENUE FUND (27114)

## FOR THE YEAR ENDING JUNE 30, 2016

|  | Budgeted Amounts |                | Actual             | Variance        |
|--|------------------|----------------|--------------------|-----------------|
|  | Original Budget  | Final Budget   |                    |                 |
| <i>Revenues:</i>   |                  |                |                    |                 |
| District school tax levy   | \$ -             | \$ -           | \$ -               | \$ -            |
| State grants   | 130,000          | 130,000        | 167,414            | 37,414          |
| Federal grants   | -                | -              | -                  | -               |
| Miscellaneous  | -                | -              | -                  | -               |
| Charges for services   | -                | -              | -                  | -               |
| Investment income  | -                | -              | -                  | -               |
| <i>Total revenues</i>  | <u>130,000</u>   | <u>130,000</u> | <u>167,414</u>     | <u>37,414</u>   |
| <i>Expenditures:</i>   |                  |                |                    |                 |
| <i>Current:</i>  |                  |                |                    |                 |
| Instruction  | 130,000          | 130,000        | 111,149            | 18,851          |
| Support services   |                  |                |                    |                 |
| Students   | -                | -              | -                  | -               |
| Instruction  | -                | -              | -                  | -               |
| General administration   | -                | -              | -                  | -               |
| School administration  | -                | -              | -                  | -               |
| Central services   | -                | -              | -                  | -               |
| Operation & maintenance of plant                                 | -                | -              | -                  | -               |
| Student transportation   | -                | -              | -                  | -               |
| Other support services   | -                | -              | -                  | -               |
| Food services operations   | -                | -              | -                  | -               |
| Community services   | -                | -              | -                  | -               |
| Capital outlay   | -                | -              | -                  | -               |
| Debt service   |                  |                |                    |                 |
| Principal  | -                | -              | -                  | -               |
| Interest   | -                | -              | -                  | -               |
| <i>Total expenditures</i>  | <u>130,000</u>   | <u>130,000</u> | <u>111,149</u>     | <u>18,851</u>   |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>       | <u>56,265</u>      | <u>56,265</u>   |
| <i>Other financing sources (uses):</i>                           |                  |                |                    |                 |
| Designated cash  | -                | -              | -                  | -               |
| Operating transfers  | -                | -              | -                  | -               |
| Proceeds from bond issues  | -                | -              | -                  | -               |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>       | <u>-</u>           | <u>-</u>        |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>       | <u>56,265</u>      | <u>56,265</u>   |
| <i>Cash or fund balance - beginning of year</i>                  | <u>-</u>         | <u>-</u>       | <u>(56,556)</u>    | <u>(56,556)</u> |
| Prior period adjustments   | -                | -              | -                  | -               |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>       | <u>(56,556)</u>    | <u>(56,556)</u> |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ (291)</u>    | <u>\$ (291)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                |                    |                 |
| Net change in fund balance (cash basis)                          |                  |                | \$ 56,265          |                 |
| Adjustments to revenues  |                  |                | (56,266)           |                 |
| Adjustments to expenditures                                      |                  |                | (16,848)           |                 |
| Net change in fund balance (GAAP basis)                          |                  |                | <u>\$ (16,849)</u> |                 |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 TECHNOLOGY FOR EDUCATION PED SPECIAL REVENUE FUND (27117)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-27

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

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 TRUANCY INITIATIVE PED SPECIAL REVENUE FUND (27141)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-28

|  | Budgeted Amounts |                |                    |                    |
|--|------------------|----------------|--------------------|--------------------|
|  | Original Budget  | Final Budget   | Actual             | Variance           |
| <i>Revenues:</i>   |                  |                |                    |                    |
| District school tax levy   | \$ -             | \$ -           | \$ -               | \$ -               |
| State grants   | -                | 120,000        | 107,170            | (12,830)           |
| Federal grants   | -                | -              | -                  | -                  |
| Miscellaneous  | -                | -              | -                  | -                  |
| Charges for services   | -                | -              | -                  | -                  |
| Investment income  | -                | -              | -                  | -                  |
| <i>Total revenues</i>  | <u>-</u>         | <u>120,000</u> | <u>107,170</u>     | <u>(12,830)</u>    |
| <i>Expenditures:</i>   |                  |                |                    |                    |
| <i>Current:</i>  |                  |                |                    |                    |
| Instruction  | -                | -              | -                  | -                  |
| Support services   |                  |                |                    |                    |
| Students   | -                | 120,000        | 120,000            | -                  |
| Instruction  | -                | -              | -                  | -                  |
| General administration   | -                | -              | -                  | -                  |
| School administration  | -                | -              | -                  | -                  |
| Central services   | -                | -              | -                  | -                  |
| Operation & maintenance of plant                                 | -                | -              | -                  | -                  |
| Student transportation   | -                | -              | -                  | -                  |
| Other support services   | -                | -              | -                  | -                  |
| Food services operations   | -                | -              | -                  | -                  |
| Community services   | -                | -              | -                  | -                  |
| Capital outlay   | -                | -              | -                  | -                  |
| Debt service   |                  |                |                    |                    |
| Principal  | -                | -              | -                  | -                  |
| Interest   | -                | -              | -                  | -                  |
| <i>Total expenditures</i>  | <u>-</u>         | <u>120,000</u> | <u>120,000</u>     | <u>-</u>           |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>       | <u>(12,830)</u>    | <u>(12,830)</u>    |
| <i>Other financing sources (uses):</i>                           |                  |                |                    |                    |
| Designated cash  | -                | -              | -                  | -                  |
| Operating transfers  | -                | -              | -                  | -                  |
| Proceeds from bond issues  | -                | -              | -                  | -                  |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>       | <u>-</u>           | <u>-</u>           |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>       | <u>(12,830)</u>    | <u>(12,830)</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -              | -                  | -                  |
| Prior period adjustments   | -                | -              | -                  | -                  |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>       | <u>-</u>           | <u>-</u>           |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ (12,830)</u> | <u>\$ (12,830)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                |                    |                    |
| Net change in fund balance (cash basis)                          |                  |                | \$ (12,830)        |                    |
| Adjustments to revenues  |                  |                | 12,830             |                    |
| Adjustments to expenditures                                      |                  |                | -                  |                    |
| Net change in fund balance (GAAP basis)                          |                  |                | <u>\$ -</u>        |                    |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 PREK INITIATIVE SPECIAL REVENUE FUND (27149)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-29

|  | Budgeted Amounts |                |                    |                    |
|--|------------------|----------------|--------------------|--------------------|
|  | Original Budget  | Final Budget   | Actual             | Variance           |
| <i>Revenues:</i>   |                  |                |                    |                    |
| District school tax levy   | \$ -             | \$ -           | \$ -               | \$ -               |
| State grants   | 510,930          | 462,837        | 412,092            | (50,745)           |
| Federal grants   | -                | -              | -                  | -                  |
| Miscellaneous  | -                | -              | -                  | -                  |
| Charges for services   | -                | -              | -                  | -                  |
| Investment income  | -                | -              | -                  | -                  |
| <i>Total revenues</i>  | <u>510,930</u>   | <u>462,837</u> | <u>412,092</u>     | <u>(50,745)</u>    |
| <i>Expenditures:</i>   |                  |                |                    |                    |
| <i>Current:</i>  |                  |                |                    |                    |
| Instruction  | 385,024          | 349,328        | 349,329            | (1)                |
| Support services   |                  |                |                    |                    |
| Students   | 85,711           | 74,371         | 74,167             | 204                |
| Instruction  | -                | -              | -                  | -                  |
| General administration   | 5,110            | 4,628          | 4,525              | 103                |
| School administration  | 1,700            | 1,239          | 1,238              | 1                  |
| Central services   | -                | -              | -                  | -                  |
| Operation & maintenance of plant                                 | -                | -              | -                  | -                  |
| Student transportation   | 33,385           | 33,271         | 32,303             | 968                |
| Other support services   | -                | -              | -                  | -                  |
| Food services operations   | -                | -              | -                  | -                  |
| Community services   | -                | -              | -                  | -                  |
| Capital outlay   | -                | -              | -                  | -                  |
| Debt service   |                  |                |                    |                    |
| Principal  | -                | -              | -                  | -                  |
| Interest   | -                | -              | -                  | -                  |
| <i>Total expenditures</i>  | <u>510,930</u>   | <u>462,837</u> | <u>461,562</u>     | <u>1,275</u>       |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>       | <u>(49,470)</u>    | <u>(49,470)</u>    |
| <i>Other financing sources (uses):</i>                           |                  |                |                    |                    |
| Designated cash  | -                | -              | -                  | -                  |
| Operating transfers  | -                | -              | -                  | -                  |
| Proceeds from bond issues  | -                | -              | -                  | -                  |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>       | <u>-</u>           | <u>-</u>           |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>       | <u>(49,470)</u>    | <u>(49,470)</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | <u>-</u>         | <u>-</u>       | <u>(45,660)</u>    | <u>(45,660)</u>    |
| Prior period adjustments   | -                | -              | -                  | -                  |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>       | <u>(45,660)</u>    | <u>(45,660)</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ (95,130)</u> | <u>\$ (95,130)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                |                    |                    |
| Net change in fund balance (cash basis)                          |                  |                | \$ (49,470)        |                    |
| Adjustments to revenues  |                  |                | 49,470             |                    |
| Adjustments to expenditures                                      |                  |                | -                  |                    |
| Net change in fund balance (GAAP basis)                          |                  |                | <u>\$ -</u>        |                    |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 INDIAN EDUCATION ACT SPECIAL REVENUE FUND (27150)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-30

|  | Budgeted Amounts |               | Actual            | Variance          |
|--|------------------|---------------|-------------------|-------------------|
|  | Original Budget  | Final Budget  |                   |                   |
| <i>Revenues:</i>   |                  |               |                   |                   |
| District school tax levy   | \$ -             | \$ -          | \$ -              | \$ -              |
| State grants   | -                | 25,000        | 19,191            | (5,809)           |
| Federal grants   | -                | -             | -                 | -                 |
| Miscellaneous  | -                | -             | -                 | -                 |
| Charges for services   | -                | -             | -                 | -                 |
| Investment income  | -                | -             | -                 | -                 |
| <i>Total revenues</i>  | <u>-</u>         | <u>25,000</u> | <u>19,191</u>     | <u>(5,809)</u>    |
| <i>Expenditures:</i>   |                  |               |                   |                   |
| <i>Current:</i>  |                  |               |                   |                   |
| Instruction  | -                | 22,160        | 20,156            | 2,004             |
| Support services   |                  |               |                   |                   |
| Students   | -                | 1,835         | (231)             | 2,066             |
| Instruction  | -                | -             | -                 | -                 |
| General administration   | -                | 1,005         | 794               | 211               |
| School administration  | -                | -             | -                 | -                 |
| Central services   | -                | -             | -                 | -                 |
| Operation & maintenance of plant                                 | -                | -             | -                 | -                 |
| Student transportation   | -                | -             | -                 | -                 |
| Other support services   | -                | -             | -                 | -                 |
| Food services operations   | -                | -             | -                 | -                 |
| Community services   | -                | -             | -                 | -                 |
| Capital outlay   | -                | -             | -                 | -                 |
| Debt service   |                  |               |                   |                   |
| Principal  | -                | -             | -                 | -                 |
| Interest   | -                | -             | -                 | -                 |
| <i>Total expenditures</i>  | <u>-</u>         | <u>25,000</u> | <u>20,719</u>     | <u>4,281</u>      |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>      | <u>(1,528)</u>    | <u>(1,528)</u>    |
| <i>Other financing sources (uses):</i>                           |                  |               |                   |                   |
| Designated cash  | -                | -             | -                 | -                 |
| Operating transfers  | -                | -             | -                 | -                 |
| Proceeds from bond issues  | -                | -             | -                 | -                 |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>      | <u>-</u>          | <u>-</u>          |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>      | <u>(1,528)</u>    | <u>(1,528)</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -             | (8,056)           | (8,056)           |
| Prior period adjustments   | -                | -             | -                 | -                 |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>      | <u>(8,056)</u>    | <u>(8,056)</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ (9,584)</u> | <u>\$ (9,584)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |               |                   |                   |
| Net change in fund balance (cash basis)                          |                  |               | \$ (1,528)        |                   |
| Adjustments to revenues  |                  |               | 881               |                   |
| Adjustments to expenditures                                      |                  |               | -                 |                   |
| Net change in fund balance (GAAP basis)                          |                  |               | <u>\$ (647)</u>   |                   |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 NM GROWN FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND (27183)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-31

|  | Budgeted Amounts |              |              |             |
|--|------------------|--------------|--------------|-------------|
|  | Original Budget  | Final Budget | Actual       | Variance    |
| <i>Revenues:</i>   |                  |              |              |             |
| District school tax levy   | \$ -             | \$ -         | \$ -         | \$ -        |
| State grants   | -                | 3,203        | 3,199        | (4)         |
| Federal grants   | -                | -            | -            | -           |
| Miscellaneous  | -                | -            | -            | -           |
| Charges for services   | -                | -            | -            | -           |
| Investment income  | -                | -            | -            | -           |
| <i>Total revenues</i>  | <u>-</u>         | <u>3,203</u> | <u>3,199</u> | <u>(4)</u>  |
| <i>Expenditures:</i>   |                  |              |              |             |
| <i>Current:</i>  |                  |              |              |             |
| Instruction  | -                | -            | -            | -           |
| Support services   |                  |              |              |             |
| Students   | -                | -            | -            | -           |
| Instruction  | -                | -            | -            | -           |
| General administration   | -                | -            | -            | -           |
| School administration  | -                | -            | -            | -           |
| Central services   | -                | -            | -            | -           |
| Operation & maintenance of plant                                 | -                | -            | -            | -           |
| Student transportation   | -                | -            | -            | -           |
| Other support services   | -                | -            | -            | -           |
| Food services operations   | -                | 3,203        | 3,199        | 4           |
| Community services   | -                | -            | -            | -           |
| Capital outlay   | -                | -            | -            | -           |
| Debt service   |                  |              |              |             |
| Principal  | -                | -            | -            | -           |
| Interest   | -                | -            | -            | -           |
| <i>Total expenditures</i>  | <u>-</u>         | <u>3,203</u> | <u>3,199</u> | <u>4</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>     | <u>-</u>     | <u>-</u>    |
| <i>Other financing sources (uses):</i>                           |                  |              |              |             |
| Designated cash  | -                | -            | -            | -           |
| Operating transfers  | -                | -            | -            | -           |
| Proceeds from bond issues  | -                | -            | -            | -           |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>     | <u>-</u>     | <u>-</u>    |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>     | <u>-</u>     | <u>-</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -            | -            | -           |
| Prior period adjustments   | -                | -            | -            | -           |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>     | <u>-</u>     | <u>-</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |              |              |             |
| Net change in fund balance (cash basis)                          |                  |              | \$ -         |             |
| Adjustments to revenues  |                  |              | -            |             |
| Adjustments to expenditures                                      |                  |              | -            |             |
| Net change in fund balance (GAAP basis)                          |                  |              | <u>\$ -</u>  |             |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 PARENT ADVOCACY PROJECT SPECIAL REVENUE FUND (27193)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-32

|  | Budgeted Amounts |              | Actual         | Variance       |
|--|------------------|--------------|----------------|----------------|
|  | Original Budget  | Final Budget |                |                |
| <i>Revenues:</i>   |                  |              |                |                |
| District school tax levy   | \$ -             | \$ -         | \$ -           | \$ -           |
| State grants   | -                | -            | 6,993          | 6,993          |
| Federal grants   | -                | -            | -              | -              |
| Miscellaneous  | -                | -            | -              | -              |
| Charges for services   | -                | -            | -              | -              |
| Investment income  | -                | -            | -              | -              |
| <i>Total revenues</i>  | <u>-</u>         | <u>-</u>     | <u>6,993</u>   | <u>6,993</u>   |
| <i>Expenditures:</i>   |                  |              |                |                |
| <i>Current:</i>  |                  |              |                |                |
| Instruction  | -                | -            | -              | -              |
| Support services   |                  |              |                |                |
| Students   | -                | -            | -              | -              |
| Instruction  | -                | -            | -              | -              |
| General administration   | -                | -            | -              | -              |
| School administration  | -                | -            | -              | -              |
| Central services   | -                | -            | -              | -              |
| Operation & maintenance of plant                                 | -                | -            | -              | -              |
| Student transportation   | -                | -            | -              | -              |
| Other support services   | -                | -            | -              | -              |
| Food services operations   | -                | -            | -              | -              |
| Community services   | -                | -            | -              | -              |
| Capital outlay   | -                | -            | -              | -              |
| Debt service   |                  |              |                |                |
| Principal  | -                | -            | -              | -              |
| Interest   | -                | -            | -              | -              |
| <i>Total expenditures</i>  | <u>-</u>         | <u>-</u>     | <u>-</u>       | <u>-</u>       |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>     | <u>6,993</u>   | <u>6,993</u>   |
| <i>Other financing sources (uses):</i>                           |                  |              |                |                |
| Designated cash  | -                | -            | -              | -              |
| Operating transfers  | -                | -            | -              | -              |
| Proceeds from bond issues  | -                | -            | -              | -              |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>     | <u>-</u>       | <u>-</u>       |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>     | <u>6,993</u>   | <u>6,993</u>   |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -            | (6,993)        | (6,993)        |
| Prior period adjustments   | -                | -            | -              | -              |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>     | <u>(6,993)</u> | <u>(6,993)</u> |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>  | <u>\$ -</u>    | <u>\$ -</u>    |
| <i>Reconciliation to GAAP basis:</i>                             |                  |              |                |                |
| Net change in fund balance (cash basis)                          |                  |              | \$ 6,993       |                |
| Adjustments to revenues  |                  |              | (6,993)        |                |
| Adjustments to expenditures                                      |                  |              | -              |                |
| Net change in fund balance (GAAP basis)                          |                  |              | <u>\$ -</u>    |                |

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



STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 SOCIAL WORKERS FOR MIDDLE SCHOOLS SPECIAL REVENUE FUND (27194)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-33

|  | Budgeted Amounts |               | Actual            | Variance          |
|--|------------------|---------------|-------------------|-------------------|
|  | Original Budget  | Final Budget  |                   |                   |
| <i>Revenues:</i>   |                  |               |                   |                   |
| District school tax levy   | \$ -             | \$ -          | \$ -              | \$ -              |
| State grants   | -                | 65,000        | 46,967            | (18,033)          |
| Federal grants   | -                | -             | -                 | -                 |
| Miscellaneous  | -                | -             | -                 | -                 |
| Charges for services   | -                | -             | -                 | -                 |
| Investment income  | -                | -             | -                 | -                 |
| <i>Total revenues</i>  | <u>-</u>         | <u>65,000</u> | <u>46,967</u>     | <u>(18,033)</u>   |
| <i>Expenditures:</i>   |                  |               |                   |                   |
| <i>Current:</i>  |                  |               |                   |                   |
| Instruction  | -                | -             | -                 | -                 |
| Support services   |                  |               |                   |                   |
| Students   | -                | 65,000        | 56,064            | 8,936             |
| Instruction  | -                | -             | -                 | -                 |
| General administration   | -                | -             | -                 | -                 |
| School administration  | -                | -             | -                 | -                 |
| Central services   | -                | -             | -                 | -                 |
| Operation & maintenance of plant                                 | -                | -             | -                 | -                 |
| Student transportation   | -                | -             | -                 | -                 |
| Other support services   | -                | -             | -                 | -                 |
| Food services operations   | -                | -             | -                 | -                 |
| Community services   | -                | -             | -                 | -                 |
| Capital outlay   | -                | -             | -                 | -                 |
| Debt service   |                  |               |                   |                   |
| Principal  | -                | -             | -                 | -                 |
| Interest   | -                | -             | -                 | -                 |
| <i>Total expenditures</i>  | <u>-</u>         | <u>65,000</u> | <u>56,064</u>     | <u>8,936</u>      |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>      | <u>(9,097)</u>    | <u>(9,097)</u>    |
| <i>Other financing sources (uses):</i>                           |                  |               |                   |                   |
| Designated cash  | -                | -             | -                 | -                 |
| Operating transfers  | -                | -             | -                 | -                 |
| Proceeds from bond issues  | -                | -             | -                 | -                 |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>      | <u>-</u>          | <u>-</u>          |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>      | <u>(9,097)</u>    | <u>(9,097)</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -             | -                 | -                 |
| Prior period adjustments   | -                | -             | -                 | -                 |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>      | <u>-</u>          | <u>-</u>          |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ (9,097)</u> | <u>\$ (9,097)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |               |                   |                   |
| Net change in fund balance (cash basis)                          |                  |               | \$ (9,097)        |                   |
| Adjustments to revenues  |                  |               | 9,097             |                   |
| Adjustments to expenditures                                      |                  |               | -                 |                   |
| Net change in fund balance (GAAP basis)                          |                  |               | <u>\$ -</u>       |                   |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 TEACHERS "HARD TO STAFF" STIPENDS SPECIAL REVENUE FUND (27195)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-34

|  | Budgeted Amounts |               | Actual             | Variance           |
|--|------------------|---------------|--------------------|--------------------|
|  | Original Budget  | Final Budget  |                    |                    |
| <i>Revenues:</i>   |                  |               |                    |                    |
| District school tax levy   | \$ -             | \$ -          | \$ -               | \$ -               |
| State grants   | -                | 97,200        | 71,175             | (26,025)           |
| Federal grants   | -                | -             | -                  | -                  |
| Miscellaneous  | -                | -             | -                  | -                  |
| Charges for services   | -                | -             | -                  | -                  |
| Investment income  | -                | -             | -                  | -                  |
| <i>Total revenues</i>  | <u>-</u>         | <u>97,200</u> | <u>71,175</u>      | <u>(26,025)</u>    |
| <i>Expenditures:</i>   |                  |               |                    |                    |
| <i>Current:</i>  |                  |               |                    |                    |
| Instruction  | -                | 97,200        | 97,165             | 35                 |
| Support services   |                  |               |                    |                    |
| Students   | -                | -             | -                  | -                  |
| Instruction  | -                | -             | -                  | -                  |
| General administration   | -                | -             | -                  | -                  |
| School administration  | -                | -             | -                  | -                  |
| Central services   | -                | -             | -                  | -                  |
| Operation & maintenance of plant                                 | -                | -             | -                  | -                  |
| Student transportation   | -                | -             | -                  | -                  |
| Other support services   | -                | -             | -                  | -                  |
| Food services operations   | -                | -             | -                  | -                  |
| Community services   | -                | -             | -                  | -                  |
| Capital outlay   | -                | -             | -                  | -                  |
| Debt service   |                  |               |                    |                    |
| Principal  | -                | -             | -                  | -                  |
| Interest   | -                | -             | -                  | -                  |
| <i>Total expenditures</i>  | <u>-</u>         | <u>97,200</u> | <u>97,165</u>      | <u>35</u>          |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u>         | <u>-</u>      | <u>(25,990)</u>    | <u>(25,990)</u>    |
| <i>Other financing sources (uses):</i>                           |                  |               |                    |                    |
| Designated cash  | -                | -             | -                  | -                  |
| Operating transfers  | -                | -             | -                  | -                  |
| Proceeds from bond issues  | -                | -             | -                  | -                  |
| <i>Total other financing sources (uses)</i>                      | <u>-</u>         | <u>-</u>      | <u>-</u>           | <u>-</u>           |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>      | <u>(25,990)</u>    | <u>(25,990)</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -             | -                  | -                  |
| Prior period adjustments   | -                | -             | -                  | -                  |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>      | <u>-</u>           | <u>-</u>           |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ (25,990)</u> | <u>\$ (25,990)</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |               |                    |                    |
| Net change in fund balance (cash basis)                          |                  |               | \$ (25,990)        |                    |
| Adjustments to revenues  |                  |               | 25,990             |                    |
| Adjustments to expenditures                                      |                  |               | -                  |                    |
| Net change in fund balance (GAAP basis)                          |                  |               | <u>\$ -</u>        |                    |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 PRIVATE DIRECT GRANTS SPECIAL REVENUE FUND (29102)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-35

|  | Budgeted Amounts |                 | Actual            | Variance         |
|--|------------------|-----------------|-------------------|------------------|
|  | Original Budget  | Final Budget    |                   |                  |
| <i>Revenues:</i>   |                  |                 |                   |                  |
| District school tax levy   | \$ -             | \$ -            | \$ -              | \$ -             |
| State grants   | -                | -               | -                 | -                |
| Federal grants   | -                | -               | -                 | -                |
| Miscellaneous  | -                | 46,843          | 59,343            | 12,500           |
| Charges for services   | -                | -               | -                 | -                |
| Investment income  | -                | -               | -                 | -                |
| <i>Total revenues</i>  | <u>-</u>         | <u>46,843</u>   | <u>59,343</u>     | <u>12,500</u>    |
| <i>Expenditures:</i>   |                  |                 |                   |                  |
| <i>Current:</i>  |                  |                 |                   |                  |
| Instruction  | 25,872           | 64,565          | 50,817            | 13,748           |
| Support services   |                  |                 |                   |                  |
| Students   | -                | -               | -                 | -                |
| Instruction  | -                | -               | -                 | -                |
| General administration   | -                | -               | -                 | -                |
| School administration  | -                | -               | -                 | -                |
| Central services   | -                | -               | -                 | -                |
| Operation & maintenance of plant                                 | -                | -               | -                 | -                |
| Student transportation   | -                | 10,000          | 10,000            | -                |
| Other support services   | -                | -               | -                 | -                |
| Food services operations   | -                | -               | -                 | -                |
| Community services   | -                | -               | -                 | -                |
| Capital outlay   | -                | -               | -                 | -                |
| Debt service   |                  |                 |                   |                  |
| Principal  | -                | -               | -                 | -                |
| Interest   | -                | -               | -                 | -                |
| <i>Total expenditures</i>  | <u>25,872</u>    | <u>74,565</u>   | <u>60,817</u>     | <u>13,748</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(25,872)</u>  | <u>(27,722)</u> | <u>(1,474)</u>    | <u>26,248</u>    |
| <i>Other financing sources (uses):</i>                           |                  |                 |                   |                  |
| Designated cash  | 25,872           | 27,722          | -                 | (27,722)         |
| Operating transfers  | -                | -               | -                 | -                |
| Proceeds from bond issues  | -                | -               | -                 | -                |
| <i>Total other financing sources (uses)</i>                      | <u>25,872</u>    | <u>27,722</u>   | <u>-</u>          | <u>(27,722)</u>  |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>        | <u>(1,474)</u>    | <u>(1,474)</u>   |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -               | 27,722            | 27,722           |
| Prior period adjustments   | -                | -               | -                 | -                |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>        | <u>27,722</u>     | <u>27,722</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 26,248</u>  | <u>\$ 26,248</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                 |                   |                  |
| Net change in fund balance (cash basis)                          |                  |                 | \$ (1,474)        |                  |
| Adjustments to revenues  |                  |                 | (3,500)           |                  |
| Adjustments to expenditures                                      |                  |                 | -                 |                  |
| Net change in fund balance (GAAP basis)                          |                  |                 | <u>\$ (4,974)</u> |                  |

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

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**CAPITAL PROJECTS FUNDS**

## CAPITAL PROJECTS FUNDS DESCRIPTIONS

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

**Bond Building (31100)** — To account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District. No minimum balance required according to legislation.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2016

|  | Bond<br>Building<br>31100 |
|--|---------------------------|
| <b>ASSETS</b>  |                           |
| <i>Current assets:</i>   |                           |
| Cash and temporary investments   | \$ 26,574                 |
| Accounts receivable  |                           |
| Taxes  | -                         |
| Due from other governments   | -                         |
| Interfund receivables  | -                         |
| Other  | -                         |
| Inventory  | -                         |
|  | <hr/>                     |
| <i>Total assets</i>  | <u>26,574</u>             |
| <b>LIABILITIES</b>   |                           |
| <i>Current liabilities:</i>  |                           |
| Accounts payable   | -                         |
| Accrued payroll liabilities  | -                         |
| Interfund payables   | -                         |
| Unearned revenue   | -                         |
|  | <hr/>                     |
| <i>Total liabilities</i>   | <u>-</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                           |
| Unavailable revenues - property taxes  | -                         |
| Unavailable revenues - other   | -                         |
|  | <hr/>                     |
| <i>Total deferred inflows of resources</i>                                     | <u>-</u>                  |
| <b>FUND BALANCES</b>   |                           |
| Nonspendable   | -                         |
| Restricted for:  |                           |
| Grant mandates   | -                         |
| Capital projects   | -                         |
| Debt service   | -                         |
| Assigned   | 26,574                    |
| Unassigned   | -                         |
|  | <hr/>                     |
| <i>Total fund balances</i>   | <u>26,574</u>             |
|  |                           |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <u>\$ 26,574</u>          |

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2016**

Statement C-2

|  | Bond<br>Building<br>31100   |
|--|-----------------------------|
|  | <u>                    </u> |
| <i>Revenues:</i>   |                             |
| District school tax levy   | \$ -                        |
| State grants   | -                           |
| Federal grants   | -                           |
| Miscellaneous  | -                           |
| Charges for services   | -                           |
| Investment income  | 148                         |
| <i>Total revenues</i>  | <u>148</u>                  |
| <br><i>Expenditures:</i>   |                             |
| Current:   |                             |
| Instruction  | -                           |
| Support services   |                             |
| Students   | -                           |
| Instruction  | -                           |
| General administration   | -                           |
| School administration  | -                           |
| Central services   | -                           |
| Operation & maintenance of plant                                     | -                           |
| Student transportation   | -                           |
| Other support services   | -                           |
| Food services operations   | -                           |
| Community service  | -                           |
| Capital outlay   | 269,578                     |
| Debt service   |                             |
| Principal  | -                           |
| Interest   | -                           |
| <i>Total expenditures</i>  | <u>269,578</u>              |
| <i>Excess (deficiency) of revenues<br/>over (under) expenditures</i> | <u>(269,430)</u>            |
| <br><i>Other financing sources (uses):</i>                           |                             |
| Operating transfers  | -                           |
| <i>Total other financing sources (uses)</i>                          | <u>-</u>                    |
| <br><i>Net changes in fund balances</i>                              | (269,430)                   |
| <br><i>Fund balances - beginning of year</i>                         | <u>296,004</u>              |
| <br><i>Fund balances - end of year</i>                               | <u>\$ 26,574</u>            |

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



STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 BOND BUILDING CAPITAL PROJECTS FUND (31100)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement C-3

|  | Budgeted Amounts |                  | Actual              | Variance         |
|--|------------------|------------------|---------------------|------------------|
|  | Original Budget  | Final Budget     |                     |                  |
| <i>Revenues:</i>   |                  |                  |                     |                  |
| District school tax levy   | \$ -             | \$ -             | \$ -                | \$ -             |
| State grants   | -                | -                | -                   | -                |
| Federal grants   | -                | -                | -                   | -                |
| Miscellaneous  | -                | -                | -                   | -                |
| Charges for services   | -                | -                | -                   | -                |
| Investment income  | 200              | 200              | 148                 | (52)             |
| <i>Total revenues</i>  | <u>200</u>       | <u>200</u>       | <u>148</u>          | <u>(52)</u>      |
| <i>Expenditures:</i>   |                  |                  |                     |                  |
| <i>Current:</i>  |                  |                  |                     |                  |
| Instruction  | -                | -                | -                   | -                |
| Support services   |                  |                  |                     |                  |
| Students   | -                | -                | -                   | -                |
| Instruction  | -                | -                | -                   | -                |
| General administration   | -                | -                | -                   | -                |
| School administration  | -                | -                | -                   | -                |
| Central services   | -                | -                | -                   | -                |
| Operation & maintenance of plant                                 | -                | -                | -                   | -                |
| Student transportation   | -                | -                | -                   | -                |
| Other support services   | -                | -                | -                   | -                |
| Food services operations   | -                | -                | -                   | -                |
| Community services   | -                | -                | -                   | -                |
| Capital outlay   | 271,253          | 296,004          | 269,578             | 26,426           |
| Debt service   |                  |                  |                     |                  |
| Principal  | -                | -                | -                   | -                |
| Interest   | -                | -                | -                   | -                |
| <i>Total expenditures</i>  | <u>271,253</u>   | <u>296,004</u>   | <u>269,578</u>      | <u>26,426</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(271,053)</u> | <u>(295,804)</u> | <u>(269,430)</u>    | <u>26,374</u>    |
| <i>Other financing sources (uses):</i>                           |                  |                  |                     |                  |
| Designated cash  | 271,053          | 295,804          | -                   | (295,804)        |
| Operating transfers  | -                | -                | -                   | -                |
| Proceeds from bond issues  | -                | -                | -                   | -                |
| <i>Total other financing sources (uses)</i>                      | <u>271,053</u>   | <u>295,804</u>   | <u>-</u>            | <u>(295,804)</u> |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>         | <u>(269,430)</u>    | <u>(269,430)</u> |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -                | 296,004             | 296,004          |
| Prior period adjustments   | -                | -                | -                   | -                |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>         | <u>296,004</u>      | <u>296,004</u>   |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 26,574</u>    | <u>\$ 26,574</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                  |                     |                  |
| Net change in fund balance (cash basis)                          |                  |                  | \$ (269,430)        |                  |
| Adjustments to revenues  |                  |                  | -                   |                  |
| Adjustments to expenditures                                      |                  |                  | -                   |                  |
| Net change in fund balance (GAAP basis)                          |                  |                  | <u>\$ (269,430)</u> |                  |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND (31700)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement C-4

|  | Budgeted Amounts   |                    |                     |                     |
|--|--------------------|--------------------|---------------------|---------------------|
|  | Original Budget    | Final Budget       | Actual              | Variance            |
| <i>Revenues:</i>   |                    |                    |                     |                     |
| District school tax levy   | \$ 1,564,634       | \$ 1,564,634       | \$ 1,463,774        | \$ (100,860)        |
| State grants   | -                  | 69,379             | 74,227              | 4,848               |
| Federal grants   | -                  | -                  | -                   | -                   |
| Miscellaneous  | -                  | -                  | 3,863               | 3,863               |
| Charges for services   | -                  | -                  | -                   | -                   |
| Investment income  | 1,600              | 1,600              | 2,112               | 512                 |
| <i>Total revenues</i>  | <u>1,566,234</u>   | <u>1,635,613</u>   | <u>1,543,976</u>    | <u>(91,637)</u>     |
| <i>Expenditures:</i>   |                    |                    |                     |                     |
| <i>Current:</i>  |                    |                    |                     |                     |
| Instruction  | -                  | -                  | -                   | -                   |
| Support services   |                    |                    |                     |                     |
| Students   | -                  | -                  | -                   | -                   |
| Instruction  | -                  | -                  | -                   | -                   |
| General administration   | 11,500             | 11,500             | 9,367               | 2,133               |
| School administration  | -                  | -                  | -                   | -                   |
| Central services   | -                  | -                  | -                   | -                   |
| Operation & maintenance of plant                                 | -                  | -                  | -                   | -                   |
| Student transportation   | -                  | -                  | -                   | -                   |
| Other support services   | -                  | -                  | -                   | -                   |
| Food services operations   | -                  | -                  | -                   | -                   |
| Community services   | -                  | -                  | -                   | -                   |
| Capital outlay   | 3,391,666          | 4,974,791          | 2,338,961           | 2,635,830           |
| Debt service   |                    |                    |                     |                     |
| Principal  | -                  | -                  | -                   | -                   |
| Interest   | -                  | -                  | -                   | -                   |
| <i>Total expenditures</i>  | <u>3,403,166</u>   | <u>4,986,291</u>   | <u>2,348,328</u>    | <u>2,637,963</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(1,836,932)</u> | <u>(3,350,678)</u> | <u>(804,352)</u>    | <u>2,546,326</u>    |
| <i>Other financing sources (uses):</i>                           |                    |                    |                     |                     |
| Designated cash  | 1,836,932          | 3,350,678          | -                   | (3,350,678)         |
| Operating transfers  | -                  | -                  | -                   | -                   |
| Proceeds from bond issues  | -                  | -                  | -                   | -                   |
| <i>Total other financing sources (uses)</i>                      | <u>1,836,932</u>   | <u>3,350,678</u>   | <u>-</u>            | <u>(3,350,678)</u>  |
| <i>Net change in fund balance</i>                                | <u>-</u>           | <u>-</u>           | <u>(804,352)</u>    | <u>(804,352)</u>    |
| <i>Cash or fund balance - beginning of year</i>                  | -                  | -                  | 3,350,678           | 3,350,678           |
| Prior period adjustments   | -                  | -                  | -                   | -                   |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>           | <u>-</u>           | <u>3,350,678</u>    | <u>3,350,678</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 2,546,326</u> | <u>\$ 2,546,326</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                    |                    |                     |                     |
| Net change in fund balance (cash basis)                          |                    |                    | \$ (804,352)        |                     |
| Adjustments to revenues  |                    |                    | (36,641)            |                     |
| Adjustments to expenditures                                      |                    |                    | 96,084              |                     |
| Net change in fund balance (GAAP basis)                          |                    |                    | <u>\$ (744,909)</u> |                     |

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

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**DEBT SERVICE FUNDS**

## **DEBT SERVICE FUNDS DESCRIPTIONS**

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

**Deferred Sick Leave (42000)** – To account for funds set aside for paid and sick leave payouts upon retirement. No minimum balance required according to legislation.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 JUNE 30, 2016

Statement D-1

|  | Deferred<br>Sick Leave<br>42000 |
|--|---------------------------------|
|  | <hr/>                           |
| <b>ASSETS</b>  |                                 |
| <i>Current assets:</i>   |                                 |
| Cash and temporary investments   | \$ 61,467                       |
| Accounts receivable  |                                 |
| Taxes  | -                               |
| Due from other governments   | -                               |
| Interfund receivables  | -                               |
| Other  | -                               |
| Inventory  | -                               |
|  | <hr/>                           |
| <i>Total assets</i>  | <u><u>61,467</u></u>            |
| <b>LIABILITIES</b>   |                                 |
| <i>Current Liabilities:</i>  |                                 |
| Accounts payable   | -                               |
| Accrued payroll liabilities  | -                               |
| Interfund payables   | -                               |
| Unearned revenue   | -                               |
|  | <hr/>                           |
| <i>Total liabilities</i>   | <u>-</u>                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                                 |
| Unavailable revenues - property taxes  | -                               |
| Unavailable revenues - other   | -                               |
|  | <hr/>                           |
| <i>Total deferred inflows of resources</i>                                     | <u>-</u>                        |
| <b>FUND BALANCES</b>   |                                 |
| Nonspendable   | -                               |
| Restricted for:  |                                 |
| Grant mandates   | -                               |
| Capital projects   | -                               |
| Debt service   | -                               |
| Assigned   | 61,467                          |
| Unassigned   | -                               |
|  | <hr/>                           |
| <i>Total fund balances</i>   | <u>61,467</u>                   |
|  |                                 |
| <i>Total liabilities, deferred inflows of<br/>resources, and fund balances</i> | <u><u>\$ 61,467</u></u>         |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 5  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

Statement D-2

|   | Deferred<br>Sick Leave<br>42000 |
|---|---------------------------------|
|   | <u>42000</u>                    |
| <i>Revenues:</i>                            |                                 |
| District school tax levy                    | \$ -                            |
| State grants                                | -                               |
| Federal grants                              | -                               |
| Miscellaneous                               | -                               |
| Charges for services                        | -                               |
| Investment income                           | -                               |
| <i>Total revenues</i>                       | <u>-</u>                        |
| <i>Expenditures:</i>                        |                                 |
| Current:                                    |                                 |
| Instruction                                 | -                               |
| Support services                            |                                 |
| Students                                    | -                               |
| Instruction                                 | -                               |
| General administration                      | 2,832                           |
| School administration                       | -                               |
| Central services                            | -                               |
| Operation & maintenance of plant            | -                               |
| Student transportation                      | -                               |
| Other support services                      | -                               |
| Food services operations                    | -                               |
| Community services                          | -                               |
| Capital outlay                              | -                               |
| Debt service                                |                                 |
| Principal                                   | -                               |
| Interest                                    | -                               |
| <i>Total expenditures</i>                   | <u>2,832</u>                    |
| <i>Excess (deficiency) of revenues</i>      |                                 |
| <i>over (under) expenditures</i>            | <u>(2,832)</u>                  |
| <i>Other financing sources (uses):</i>      |                                 |
| Operating transfers                         | -                               |
| <i>Total other financing sources (uses)</i> | <u>-</u>                        |
| <i>Net changes in fund balances</i>         | (2,832)                         |
| <i>Fund balances - beginning of year</i>    | <u>64,299</u>                   |
| <i>Fund balances - end of year</i>          | <u>\$ 61,467</u>                |

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 DEBT SERVICE FUND (41000)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement D-3

|  | Budgeted Amounts   |                    |                     |                     |
|--|--------------------|--------------------|---------------------|---------------------|
|  | Original Budget    | Final Budget       | Actual              | Variance            |
| <i>Revenues:</i>   |                    |                    |                     |                     |
| District school tax levy   | \$ 6,448,396       | \$ 6,448,396       | \$ 6,037,600        | \$ (410,796)        |
| State grants   | -                  | -                  | -                   | -                   |
| Federal grants   | -                  | -                  | -                   | -                   |
| Miscellaneous  | -                  | -                  | -                   | -                   |
| Charges for services   | -                  | -                  | -                   | -                   |
| Investment income  | 2,000              | 2,000              | 3,561               | 1,561               |
| <i>Total revenues</i>  | <u>6,450,396</u>   | <u>6,450,396</u>   | <u>6,041,161</u>    | <u>(409,235)</u>    |
| <i>Expenditures:</i>   |                    |                    |                     |                     |
| <i>Current:</i>  |                    |                    |                     |                     |
| Instruction  | -                  | -                  | -                   | -                   |
| Support services   |                    |                    |                     |                     |
| Students   | -                  | -                  | -                   | -                   |
| Instruction  | -                  | -                  | -                   | -                   |
| General administration   | 39,426             | 39,426             | 39,299              | 127                 |
| School administration  | -                  | -                  | -                   | -                   |
| Central services   | -                  | -                  | -                   | -                   |
| Operation & maintenance of plant                                 | -                  | -                  | -                   | -                   |
| Student transportation   | -                  | -                  | -                   | -                   |
| Other support services   | -                  | -                  | -                   | -                   |
| Food services operations   | -                  | -                  | -                   | -                   |
| Community services   | -                  | -                  | -                   | -                   |
| Capital outlay   | -                  | -                  | -                   | -                   |
| Debt service   |                    |                    |                     |                     |
| Reserve  | 5,725,591          | 5,725,591          | -                   | 5,725,591           |
| Principal  | 4,390,000          | 4,890,000          | 4,190,000           | 700,000             |
| Interest   | 1,733,320          | 2,332,931          | 1,732,510           | 600,421             |
| <i>Total expenditures</i>  | <u>11,888,337</u>  | <u>12,987,948</u>  | <u>5,961,809</u>    | <u>7,026,139</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(5,437,941)</u> | <u>(6,537,552)</u> | <u>79,352</u>       | <u>6,616,904</u>    |
| <i>Other financing sources (uses):</i>                           |                    |                    |                     |                     |
| Designated cash  | 5,437,941          | 6,537,552          | -                   | (6,537,552)         |
| Operating transfers  | -                  | -                  | -                   | -                   |
| Proceeds from bond issues  | -                  | -                  | -                   | -                   |
| <i>Total other financing sources (uses)</i>                      | <u>5,437,941</u>   | <u>6,537,552</u>   | <u>-</u>            | <u>(6,537,552)</u>  |
| <i>Net change in fund balance</i>                                | <u>-</u>           | <u>-</u>           | <u>79,352</u>       | <u>79,352</u>       |
| <i>Cash or fund balance - beginning of year</i>                  | <u>-</u>           | <u>-</u>           | <u>6,737,552</u>    | <u>6,737,552</u>    |
| Prior period adjustments   | -                  | -                  | -                   | -                   |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>           | <u>-</u>           | <u>6,737,552</u>    | <u>6,737,552</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 6,816,904</u> | <u>\$ 6,816,904</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                    |                    |                     |                     |
| Net change in fund balance (cash basis)                          |                    |                    | \$ 79,352           |                     |
| Adjustments to revenues  |                    |                    | 163,313             |                     |
| Adjustments to expenditures                                      |                    |                    | (300,600)           |                     |
| Net change in fund balance (GAAP basis)                          |                    |                    | <u>\$ (57,935)</u>  |                     |

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



STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 DEFERRED SICK LEAVE DEBT SERVICE FUND (42000)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement D-4

|  | Budgeted Amounts |                 | Actual            | Variance         |
|--|------------------|-----------------|-------------------|------------------|
|  | Original Budget  | Final Budget    |                   |                  |
| <i>Revenues:</i>   |                  |                 |                   |                  |
| District school tax levy   | \$ -             | \$ -            | \$ -              | \$ -             |
| State grants   | -                | -               | -                 | -                |
| Federal grants   | -                | -               | -                 | -                |
| Miscellaneous  | -                | -               | -                 | -                |
| Charges for services   | -                | -               | -                 | -                |
| Investment income  | -                | -               | -                 | -                |
| <i>Total revenues</i>  | <u>-</u>         | <u>-</u>        | <u>-</u>          | <u>-</u>         |
| <i>Expenditures:</i>   |                  |                 |                   |                  |
| <i>Current:</i>  |                  |                 |                   |                  |
| Instruction  | -                | -               | -                 | -                |
| Support services   |                  |                 |                   |                  |
| Students   | -                | -               | -                 | -                |
| Instruction  | -                | -               | -                 | -                |
| General administration   | 64,299           | 64,299          | 2,832             | 61,467           |
| School administration  | -                | -               | -                 | -                |
| Central services   | -                | -               | -                 | -                |
| Operation & maintenance of plant                                 | -                | -               | -                 | -                |
| Student transportation   | -                | -               | -                 | -                |
| Other support services   | -                | -               | -                 | -                |
| Food services operations   | -                | -               | -                 | -                |
| Community services   | -                | -               | -                 | -                |
| Capital outlay   | -                | -               | -                 | -                |
| Debt service   |                  |                 |                   |                  |
| Reserve  | -                | -               | -                 | -                |
| Principal  | -                | -               | -                 | -                |
| Interest   | -                | -               | -                 | -                |
| <i>Total expenditures</i>  | <u>64,299</u>    | <u>64,299</u>   | <u>2,832</u>      | <u>61,467</u>    |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(64,299)</u>  | <u>(64,299)</u> | <u>(2,832)</u>    | <u>61,467</u>    |
| <i>Other financing sources (uses):</i>                           |                  |                 |                   |                  |
| Designated cash  | 64,299           | 64,299          | -                 | (64,299)         |
| Operating transfers  | -                | -               | -                 | -                |
| Proceeds from bond issues  | -                | -               | -                 | -                |
| <i>Total other financing sources (uses)</i>                      | <u>64,299</u>    | <u>64,299</u>   | <u>-</u>          | <u>(64,299)</u>  |
| <i>Net change in fund balance</i>                                | <u>-</u>         | <u>-</u>        | <u>(2,832)</u>    | <u>(2,832)</u>   |
| <i>Cash or fund balance - beginning of year</i>                  | -                | -               | 64,299            | 64,299           |
| Prior period adjustments   | -                | -               | -                 | -                |
| <i>Adjusted cash or fund balance - beginning of year</i>         | <u>-</u>         | <u>-</u>        | <u>64,299</u>     | <u>64,299</u>    |
| <i>Cash or fund balance - end of year</i>                        | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 61,467</u>  | <u>\$ 61,467</u> |
| <i>Reconciliation to GAAP basis:</i>                             |                  |                 |                   |                  |
| Net change in fund balance (cash basis)                          |                  |                 | \$ (2,832)        |                  |
| Adjustments to revenues  |                  |                 | -                 |                  |
| Adjustments to expenditures                                      |                  |                 | -                 |                  |
| Net change in fund balance (GAAP basis)                          |                  |                 | <u>\$ (2,832)</u> |                  |

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

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**OTHER SUPPLEMENTAL INFORMATION**

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule III

|                            | Balance<br>June 30, 2015 | Additions         | Deletions         | Balance<br>June 30, 2016 |
|----------------------------|--------------------------|-------------------|-------------------|--------------------------|
| Bloomfield High School     | \$ 91,244                | \$ 177,345        | \$ 170,822        | \$ 97,767                |
| Charlie Brown Secondary    | 4,622                    | 457               | 1,818             | 3,261                    |
| Mesa Alta School           | 42,842                   | 32,552            | 36,720            | 38,674                   |
| Blanco School              | 20,181                   | 55,019            | 46,626            | 28,574                   |
| Central School             | 34,480                   | 14,085            | 12,265            | 36,300                   |
| Naaba Ani School           | 29,834                   | 9,092             | 12,525            | 26,401                   |
| Bloomfield Learning Center | 25,787                   | 11,694            | 9,889             | 27,592                   |
| H. Hayes Scholarship       | 10,028                   | 1,009             | 2,000             | 9,037                    |
|                            | <u>          </u>        | <u>          </u> | <u>          </u> | <u>          </u>        |
| Total                      | <u>\$ 259,018</u>        | <u>\$ 301,253</u> | <u>\$ 292,665</u> | <u>\$ 267,606</u>        |
| Less: Uncollected Checks   |                          |                   |                   | <u>-</u>                 |
| Total Fiduciary Fund Cash  |                          |                   |                   | <u>\$ 267,606</u>        |

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF PLEDGED COLLATERAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule IV

| <u>Name of Depository</u>                                | <u>Description of<br/>Pledged Collateral</u> | <u>Maturity<br/>Date</u> | <u>CUSIP<br/>Number</u> | <u>Fair Market Value<br/>June 30, 2016</u> |
|--|--|--------------------------|-------------------------|--|
| <b>Citizens Bank</b>                                     |  |                          |                         |  |
|  | FNMA   | 9/25/2029                | 3136A9LL0               | \$ 5,400,500                               |
|  | FNMA   | 5/4/2026                 | 3133EF5W3               | 4,011,600                                  |
| Total Citizens Bank                                      |  |                          |                         | <u>\$ 9,412,100</u>                        |
| The securities are held, not in the District's name, at: |  |                          |                         |  |
| FHLB - Dallas  |  |                          |                         |  |
| 85000 Freeport Parkway South                             |  |                          |                         |  |
| Irving, TX 75063   |  |                          |                         |  |
| <b>Bank of Albuquerque:</b>                              |  |                          |                         |  |
|  | GNMA   | 6/25/2028                | 3136AEHF7               | \$ 7,938,316                               |
|  | GNMA   | 11/25/2025               | 31398SAF0               | 3,360,799                                  |
| Total Bank of Albuquerque                                |  |                          |                         | <u>\$ 11,299,115</u>                       |

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

FHLB - Topeka  
1 SW Security Benefit PL #100  
Topeka, KS 66606

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

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 1  
 SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS  
 JUNE 30, 2016

Schedule V

| Bank Name/Account Type  | Account Type | Bank Balance        | Deposits in Transit | Outstanding Checks    | Other Adjustments | Book Balance         |
|---|--------------|---------------------|---------------------|-----------------------|-------------------|----------------------|
| <b>Citizens Bank</b>  |              |                     |                     |                       |                   |                      |
| Operational   | Checking     | \$ 3,104,583        | \$ (789)            | \$ -                  | \$ -              | \$ 3,103,794         |
| Accounts Payable  | Checking     | \$ 1,090,996        | (117)               | (1,090,879)           | 701,433           | \$ 701,433           |
| Payroll Clearing  | Checking     | \$ 41,056           | (12)                | (41,044)              | -                 | \$ -                 |
| Student Nutrition   | Checking     | \$ 441,665          | -                   | -                     | -                 | \$ 441,665           |
| Athletics   | Checking     | \$ -                | -                   | -                     | -                 | \$ -                 |
| Federal Funds   | Checking     | \$ 154,804          | 789                 | -                     | -                 | \$ 155,593           |
| Bond Fund   | Checking     | \$ 26,573           | -                   | -                     | (1)               | \$ 26,572            |
| Capital Improvements  | Checking     | \$ 2,546,326        | -                   | -                     | -                 | \$ 2,546,326         |
| Debt Service  | Checking     | \$ 6,416,864        | -                   | -                     | -                 | \$ 6,416,864         |
| Activity Account  | Checking     | \$ 470,694          | 129                 | -                     | -                 | \$ 470,823           |
| Total Citizens Bank   |              | <u>\$14,293,561</u> | <u>\$ -</u>         | <u>\$ (1,131,923)</u> | <u>\$ 701,432</u> | <u>\$ 13,863,070</u> |
| <b>Bank of Albuquerque</b>                                    |              |                     |                     |                       |                   |                      |
| Bond Sinking Fund   | Trust        | <u>\$ 400,040</u>   | <u>\$ -</u>         | <u>\$ -</u>           | <u>\$ -</u>       | <u>\$ 400,040</u>    |
| Cash on Hand  |              |                     |                     |                       |                   | <u>\$ 250</u>        |
| Total   |              | <u>\$14,693,601</u> | <u>\$ -</u>         | <u>\$ (1,131,923)</u> | <u>\$ 701,432</u> | <u>\$ 14,263,360</u> |
| <b>Cash per financial statements</b>                          |              |                     |                     |                       |                   |                      |
| Cash and cash equivalents - Government Activities Exhibit A-1 |              |                     |                     |                       |                   | \$ 13,995,754        |
| Fiduciary funds - Exhibit D-1                                 |              |                     |                     |                       |                   | <u>267,606</u>       |
|   |              |                     |                     |                       |                   | <u>\$ 14,263,360</u> |

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF CASH RECONCILIATIONS**  
**JUNE 30, 2016**

Schedule VI  
(Page 1 of 3)

**Primary Government**

|                           | Operational<br>11000 | Transportation<br>13000 | Instructional<br>Materials<br>14000 | Food Services<br>21000 | Athletics<br>22000 |
|---------------------------|----------------------|-------------------------|-------------------------------------|------------------------|--------------------|
| Cash, June 30, 2015       | \$ 3,598,157         | \$ 168,237              | \$ 140,176                          | \$ 480,783             | \$ 144,741         |
| Add:                      |                      |                         |                                     |                        |                    |
| Current year revenues     | 22,497,657           | 1,103,367               | 214,600                             | 1,480,913              | 178,798            |
| Permanent cash transfers  | -                    | -                       | -                                   | -                      | -                  |
| Prior period adjustment   | -                    | -                       | -                                   | -                      | -                  |
| Loans from other funds    | -                    | -                       | -                                   | -                      | -                  |
| Total cash available      | 26,095,814           | 1,271,604               | 354,776                             | 1,961,696              | 323,539            |
| Less:                     |                      |                         |                                     |                        |                    |
| Current year expenditures | (21,590,503)         | (1,220,643)             | (187,641)                           | (1,493,526)            | (159,736)          |
| Permanent cash transfers  | -                    | (1,723)                 | -                                   | -                      | -                  |
| Prior period adjustment   | -                    | -                       | -                                   | -                      | -                  |
| Loans to other funds      | (982,399)            | -                       | -                                   | (26,455)               | -                  |
| Cash, June 30, 2016       | <u>\$ 3,522,912</u>  | <u>\$ 49,238</u>        | <u>\$ 167,135</u>                   | <u>\$ 441,715</u>      | <u>\$ 163,803</u>  |

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF CASH RECONCILIATIONS**  
**JUNE 30, 2016**

Schedule VI  
(Page 2 of 3)

**Primary Government**

|                           | Student<br>Activities<br>23000 | Federal<br>Flowthrough<br>24000 | Federal<br>Direct<br>25000 | Local<br>Grants<br>26000 | State<br>Flowthrough<br>27000 | Local /<br>State<br>29000 |
|---------------------------|--------------------------------|---------------------------------|----------------------------|--------------------------|-------------------------------|---------------------------|
| Cash, June 30, 2015       | \$ 31,432                      | \$ (730,112)                    | \$ 143,850                 | \$ 2,376                 | \$ (125,844)                  | \$ 27,722                 |
| Add:                      |                                |                                 |                            |                          |                               |                           |
| Current year revenues     | 12,210                         | 2,010,119                       | 711,838                    | 12,107                   | 849,731                       | 59,343                    |
| Permanent cash transfers  | -                              | -                               | -                          | -                        | -                             | -                         |
| Prior period adjustment   | -                              | -                               | -                          | -                        | -                             | -                         |
| Loans from other funds    | -                              | 816,969                         | 28,962                     | -                        | 162,923                       | -                         |
| Total cash available      | 43,642                         | 2,096,976                       | 884,650                    | 14,483                   | 886,810                       | 87,065                    |
| Less:                     |                                |                                 |                            |                          |                               |                           |
| Current year expenditures | (4,028)                        | (2,096,976)                     | (761,282)                  | (9,297)                  | (881,546)                     | (60,817)                  |
| Permanent cash transfers  | -                              | -                               | -                          | -                        | -                             | -                         |
| Prior period adjustment   | -                              | -                               | -                          | -                        | -                             | -                         |
| Loans to other funds      | -                              | -                               | -                          | -                        | -                             | -                         |
| Cash, June 30, 2016       | <u>\$ 39,614</u>               | <u>\$ -</u>                     | <u>\$ 123,368</u>          | <u>\$ 5,186</u>          | <u>\$ 5,264</u>               | <u>\$ 26,248</u>          |

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF CASH RECONCILIATIONS**  
**JUNE 30, 2016**

Schedule VI  
(Page 3 of 3)

**Primary Government**

|                           | Bond<br>Building<br>31100 | Cap. Improv.<br>SB 9<br>31700 | Debt<br>Service<br>41000 | Deferred<br>Sick Leave<br>42000 | Total                |
|---------------------------|---------------------------|-------------------------------|--------------------------|---------------------------------|----------------------|
| Cash, June 30, 2015       | \$ 296,004                | \$ 3,350,678                  | \$ 6,737,552             | \$ 64,299                       | \$ 14,330,051        |
| Add:                      |                           |                               |                          |                                 |                      |
| Current year revenues     | 148                       | 1,543,976                     | 6,041,161                | -                               | 36,715,968           |
| Permanent cash transfers  | -                         | -                             | -                        | -                               | -                    |
| Prior period adjustment   | -                         | -                             | -                        | -                               | -                    |
| Loans from other funds    | -                         | -                             | -                        | -                               | 1,008,854            |
| Total cash available      | 296,152                   | 4,894,654                     | 12,778,713               | 64,299                          | 52,054,873           |
| Less:                     |                           |                               |                          |                                 |                      |
| Current year expenditures | (269,578)                 | (2,348,328)                   | (5,961,809)              | (2,832)                         | (37,048,542)         |
| Permanent cash transfers  | -                         | -                             | -                        | -                               | (1,723)              |
| Prior period adjustment   | -                         | -                             | -                        | -                               | -                    |
| Loans to other funds      | -                         | -                             | -                        | -                               | (1,008,854)          |
| Cash, June 30, 2016       | <u>\$ 26,574</u>          | <u>\$ 2,546,326</u>           | <u>\$ 6,816,904</u>      | <u>\$ 61,467</u>                | <u>\$ 13,995,754</u> |

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 SCHEDULE OF VENDOR INFORMATION  
 FOR THE YEAR ENDED JUNE 30, 2016

Schedule VII

| Bid/RFP #                 | Names of Respondents   | Physical Address of Vendor     | Winning Vendor | Vendor Location |              | Vendor Selected Preference |         |
|---------------------------|--|--------------------------------|----------------|-----------------|--------------|----------------------------|---------|
|                           |  |                                |                | In-State        | Out-of-State | In-State                   | Veteran |
| RFP #16 - 001             | FastTrack  | 779 Tech Center Dr. Durango CO | X              |                 | X            |                            |         |
|                           | Brainstorm   | 640 Main Ave. Durango CO       |                |                 | X            |                            |         |
|                           | WAN Rack LLC   | PO Box 860082 Shawnee KS       |                |                 | X            |                            |         |
|                           | Network Cabeling   | PO Box 190 Kirtland NM         | X              | X               |              |                            |         |
| <b>Value of Contract:</b> | \$ 622,814.00  |                                |                |                 |              |                            |         |
| <b>Scope of Work:</b>     | Fiber optic expansion project - Fast Track (\$347,750) and Network Cabling (\$275,064) |                                |                |                 |              |                            |         |

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2016

Schedule VIII

Title: Joint Powers Agreement – Swimming Pool Operation

Participants: Bloomfield Municipal School District No. 6 and City of Bloomfield

Responsible Party: Bloomfield Municipal School District No. 6 and City of Bloomfield

Description: For the purposes of constructing, maintaining, and operating a swimming pool facility for the students and the public. Bloomfield Municipal School District No. 6 is responsible for constructing and insuring the facility. The City of Bloomfield will be the fiscal agent of the facility and will maintain and operate the facility.

Dates of Operation: January 10, 2005 to January 10, 2030. Renewable for 2 additional 5 year terms.

Projected Cost: Bloomfield Municipal Schools agrees to providing location and pay for construction costs in addition to carrying property damage insurance.

Audit Responsibility: City of Bloomfield

Reporting Responsibility: Revenues are collected and recorded by the City and are shared and recorded by both parties. Expenses are incurred and recorded by both parties.

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

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2016

Schedule VIII

|                           |  |
|---------------------------|--|
| Title:                    | Memorandum of Agreement – Providing Related Services as a Provision of Child Find  |
| Participants:             | Bloomfield Municipal School District No. 6 and Navajo Heads Start  |
| Responsible Party:        | Special Services Director and Navajo Head Start Disabilities Specialist  |
| Description:              | Establish working procedures between Bloomfield Schools and NHS to ensure children eligible for free preschool receive services. |
| Dates of Operation:       | 7/1/2015 to 6/30/2019  |
| Projected Cost:           | Related service personnel payroll costs and travel reimbursement costs   |
| Audit Responsibility:     | District   |
| Reporting Responsibility: | District   |

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

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2016

Schedule VIII

|                           |   |
|---------------------------|---|
| Title:                    | Memorandum of Agreement –Professional Development Support   |
| Participants:             | Bloomfield Municipal School District No. 6 and New Mexico School for the Blind and Visually Impaired (NMSBVI) |
| Responsible Party:        | Special Services Director and NMSBVI Staff  |
| Description:              | Residential placement and/or outreach services for students who are visually impaired                         |
| Dates of Operation:       | 7/1/2015 to 6/30/2016   |
| Projected Cost:           | None  |
| Audit Responsibility:     | NMSBVI  |
| Reporting Responsibility: | NMSBVI  |

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

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2016

Schedule VIII

|                           |  |
|---------------------------|--|
| Title:                    | Memorandum of Agreement –Transition of Children  |
| Participants:             | Bloomfield Municipal School District No. 6, Navajo Nation, New Mexico School for the Deaf, and Presbyterian Medical Services                       |
| Responsible Party:        | Special Services Director and Corresponding Staff at Other Agencies  |
| Description:              | Promote coordination of services to eligible children to facilitate the accessibility of high quality, family centered programs in San Juan County |
| Dates of Operation:       | 7/1/2013 to 6/30/2017  |
| Projected Cost:           | Ancillary services for students at Cottonwood Head Start   |
| Audit Responsibility:     | District   |
| Reporting Responsibility: | District   |

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

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2016

Schedule VIII

|                           |  |
|---------------------------|--|
| Title:                    | Memorandum of Agreement – Navajo Language and Culture Development  |
| Participants:             | Bloomfield Municipal School District No. 6 and Navajo Nation   |
| Responsible Party:        | Bloomfield Municipal School District No. 6 and Navajo Nation   |
| Description:              | Cooperative development of processes and procedures for student education in the Navajo language, culture, history, government, etc. |
| Dates of Operation:       | 4/6/2016 and forward   |
| Projected Cost:           | Professional development costs   |
| Audit Responsibility:     | None   |
| Reporting Responsibility: | None   |

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

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2016

Schedule VIII

|                           |  |
|---------------------------|--|
| Title:                    | Memorandum of Agreement – Statewide Dual Credit Master Agreement                                   |
| Participants:             | Bloomfield Municipal School District No. 6 and Central New Mexico Community College                |
| Responsible Party:        | Director of Operations and Assessment (BMSD) and Registrar (CNMCC)                                 |
| Description:              | Allow high school students to enroll in college-level courses offered by postsecondary institution |
| Dates of Operation:       | 12/14/2015 to 6/30/2017  |
| Projected Cost:           | Cost of textbooks  |
| Audit Responsibility:     | District   |
| Reporting Responsibility: | District   |

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



STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2016

Schedule VIII

|                           |  |
|---------------------------|--|
| Title:                    | Memorandum of Agreement – Statewide Dual Credit Master Agreement                                   |
| Participants:             | Bloomfield Municipal School District No. 6 and San Juan College                                    |
| Responsible Party:        | Director of Operations and Assessment (BMSD) and Registrar (SJC)                                   |
| Description:              | Allow high school students to enroll in college-level courses offered by postsecondary institution |
| Dates of Operation:       | 12/14/2015 to 6/30/2016 with annual renewal  |
| Projected Cost:           | \$33,000   |
| Audit Responsibility:     | District   |
| Reporting Responsibility: | District   |

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

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2016

Schedule VIII

|                           |  |
|---------------------------|--|
| Title:                    | Memorandum of Agreement #16-924-00152 – Reading Coach Support  |
| Participants:             | Bloomfield Municipal School District No. 6 and New Mexico Public Education Department                                    |
| Responsible Party:        | Bloomfield Municipal School District No. 6 and New Mexico Public Education Department                                    |
| Description:              | Support quality reading coaching services for New Mexico Schools with overarching goal of increasing student achievement |
| Dates of Operation:       | 6/30/2015 until terminated   |
| Projected Cost:           | Office/computer access and bandwidth   |
| Audit Responsibility:     | District   |
| Reporting Responsibility: | District   |

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

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2016

Schedule VIII

|                           |   |
|---------------------------|---|
| Title:                    | Memorandum of Agreement #16-924-00182 – Academic Support                              |
| Participants:             | Bloomfield Municipal School District No. 6 and New Mexico Public Education Department |
| Responsible Party:        | Bloomfield Municipal School District No. 6 and New Mexico Public Education Department |
| Description:              | Develop and facilitate an academic support system within the District                 |
| Dates of Operation:       | 6/30/2015 until terminated  |
| Projected Cost:           | Office equipment and staff time   |
| Audit Responsibility:     | District  |
| Reporting Responsibility: | District  |

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

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2016

|                           |   |
|---------------------------|---|
| Title:                    | Memorandum of Agreement – School Resource Officer                 |
| Participants:             | Bloomfield Municipal School District No. 6 and City of Bloomfield |
| Responsible Party:        | Bloomfield Municipal School District No. 6 and City of Bloomfield |
| Description:              | Provide student resource officer to the District                  |
| Dates of Operation:       | 7/1/2015 to 6/30/2016 with annual renewal                         |
| Projected Cost:           | \$42,000  |
| Audit Responsibility:     | District  |
| Reporting Responsibility: | District  |

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

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**COMPLIANCE SECTION**



# Manning Accounting and Consulting Services, LLC

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

### INDEPENDENT AUDITOR'S REPORT

Timothy Keller  
New Mexico State Auditor  
The Office of Management and Budget  
And the Board of Education of  
Bloomfield Municipal School District No. 6  
Bloomfield, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the General Fund and major special revenue funds of Bloomfield Municipal School District No. 6 (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District presented as supplementary information, and have issued our report thereon dated October 13, 2016.

#### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items FS 2015-004, FS 2016-001, FS 2016-002, FS 2016-003, and FS 2016-004.

### **Bloomfield Municipal School District No. 6's Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

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

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC

Kirtland, New Mexico

October 13, 2016



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**FEDERAL FINANCIAL ASSISTANCE**



# Manning Accounting and Consulting Services, LLC

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

### INDEPENDENT AUDITOR'S REPORT

Timothy Keller, New Mexico State Auditor  
The Office of Management and Budget  
And the Board of Education of  
Bloomfield Municipal School District No. 6  
Bloomfield, New Mexico

#### Report on Compliance for Each Major Federal Program

We have audited the Bloomfield Municipal School District No. 6's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

#### Management's Responsibility

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

#### Auditor's Responsibility

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

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

#### Opinion on Each Major Federal Program

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

## Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item FA 2016-001 that we consider to be a significant deficiency

The District's response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Manning Accounting and Consulting Services, LLC*

Manning Accounting and Consulting Services, LLC  
Kirtland, New Mexico  
October 13, 2016

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

Schedule IX  
(Page 1 of 2)

| Federal Grantor or Pass-Through Grantor / Program Title                            | Passthrough<br>Number | Federal CFDA<br>Number | Federal<br>Expenditures |
|--|-----------------------|------------------------|-------------------------|
| <b>U.S. Department of Education</b>  |                       |                        |                         |
| <i>Passthrough State of New Mexico Public Education Department</i>                 |                       |                        |                         |
| <b>Special Education Cluster (IDEA)</b>  |                       |                        |                         |
| IDEA B - Entitlement (1)   | 24106                 | 84.027                 | \$ 754,398              |
| New Mexico Autism Project (1)  | 24108                 | 84.027                 | 2,599                   |
| IDEA-B Results Plan (1)  | 24132                 | 84.027                 | 33,153                  |
| IDEA-B Preschool (1)   | 24109                 | 84.173                 | 24,202                  |
| <b>Total Special Education Cluster (IDEA)</b>                                      |                       |                        | <u>814,352</u>          |
| <b>Other Programs (Treated individually for major program determination)</b>       |                       |                        |                         |
| Title I IASA (1)   | 24101                 | 84.010                 | 1,094,141               |
| English Language Acquisition   | 24153                 | 84.365A                | 27,875                  |
| Teacher/Principal Training & Recruiting (1)  | 24154                 | 84.367                 | 155,470                 |
| Title I School Improvement   | 24162                 | 84.377A                | 22,929                  |
| Carl D Perkins Secondary - Redistribution  | 24176                 | 84.048A                | 10,331                  |
| <b>Total Other Programs</b>  |                       |                        | <u>1,310,746</u>        |
| <i>Subtotal - Passthrough State of New Mexico<br/>Public Education Department</i>  |                       |                        |                         |
|  |                       |                        | <u>2,125,098</u>        |
| <i>Direct U.S. Department of Education</i>   |                       |                        |                         |
| <b>Other Programs (Treated individually for major program determination)</b>       |                       |                        |                         |
| <b>Impact Aid</b>  |                       |                        |                         |
| Impact Aid   | 11000                 | 84.041                 | 588,844                 |
| Impact Aid Special Education   | 25145                 | 84.041                 | 64,118                  |
| Impact Aid Indian Education  | 25147                 | 84.041                 | 192,188                 |
| <b>Total Impact Aid</b>  |                       |                        | <u>845,150</u>          |
| Indian Ed Formula Grant  | 25184                 | 84.060                 | 186,611                 |
| <b>Total Other Programs</b>  |                       |                        | <u>1,031,761</u>        |
| <i>Subtotal - Direct U.S. Department of Education</i>                              |                       |                        |                         |
|  |                       |                        | <u>1,031,761</u>        |
| <b>Total U.S. Department of Education</b>  |                       |                        |                         |
|  |                       |                        | <u>3,156,859</u>        |
| <b>U.S. Department of Interior</b>   |                       |                        |                         |
| <i>Direct U.S. Department of Interior</i>  |                       |                        |                         |
| Johnson O'Malley   | 25131                 | 15.130                 | 57,574                  |
| <b>Total U.S. Department of Interior</b>   |                       |                        | <u>57,574</u>           |
| <b>U.S. Department of Defense</b>  |                       |                        |                         |
| <i>Direct U.S. Department of Defense</i>   |                       |                        |                         |
| National Guard Military Projects   | 11000                 | 12.401                 | 62,233                  |
| <b>Total U.S. Department of Defense</b>  |                       |                        | <u>62,233</u>           |
| <b>U.S. Department of Agriculture</b>  |                       |                        |                         |
| <i>Passthrough State of New Mexico Public Education Department</i>                 |                       |                        |                         |
| <b>Other Programs (Treated individually for major program determination)</b>       |                       |                        |                         |
| Fresh Fruit and Vegetables   | 24118                 | 10.582                 | 84,912                  |
| <b>Child Nutrition Cluster</b>   |                       |                        |                         |
| USDA School Breakfast Program  | 21000                 | 10.553                 | 399,840                 |
| National School Lunch Program  | 21000                 | 10.555                 | 1,118,953               |
| <i>Passthrough State of New Mexico Department of Health and Human Services</i>     |                       |                        |                         |
| Food Distribution (Commodities)  | 21000                 | 10.553/10.555          | 105,614                 |
| <b>Total Child Nutrition Cluster</b>   |                       |                        | <u>1,624,407</u>        |
| <i>Subtotal - Passthrough State of New Mexico Public<br/>Education Department</i>  |                       |                        |                         |
|  |                       |                        | <u>1,603,705</u>        |
| <i>Subtotal - Passthrough State of Department of Health<br/>and Human Services</i> |                       |                        |                         |
|  |                       |                        | <u>105,614</u>          |
| <b>Total U.S. Department of Agriculture</b>  |                       |                        | <u>1,709,319</u>        |
| <b>Total Federal Financial Assistance</b>  |                       |                        | <u>\$ 4,985,985</u>     |

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule IX  
 (Page 2 of 2)

**Notes to Schedule of Expenditures of Federal Awards**

1. Basis of Presentation

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

2. Sub recipients

The District did not provide any federal awards to sub recipients during the year

3. Non Cash Federal Assistance

The District receives USDA commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2016 was \$105,614 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA numbers 10.553 and 10.555. Commodities are recorded as revenues and expenditures in the Food Service Fund.

4. Indirect Cost Rate

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon a rate established by the State of New Mexico, and the District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures. The District's indirect cost rate for the year was 4.19%

5. Matching Costs

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

6. Insurance

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

7. Loan or Loan Guarantees

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

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

|  |               |
|--|---------------|
| Total federal awards expended per Schedule of Expenditures of Federal Award: | \$ 4,985,985  |
| Total expenditures funded by other sources                                   | 32,415,324    |
| Total expenditures   | \$ 37,401,309 |

(1) Denotes Major Federal Financial Assistance Program

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

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule X

**Section I – Summary of Audit Results**

*Financial Statements:*

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

*Federal Awards:*

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

| CFDA<br>Number    | Federal Program                         |
|-------------------|---|
| 84.027 and 84.173 | Special Education Cluster (IDEA)        |
| 84.010            | Title I IASA                            |
| 84.367            | Teacher/Principal Training & Recruiting |

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

**STATE OF NEW MEXICO**  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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Schedule X

**Section II – Financial Statement Findings**

**FS 2015-004 – Purchase Orders and Payment Authorization (Non-Compliance) Repeated and Revised**

**Criteria:** Per the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services, or construction.”

Additionally, 13-1-158 NMSA 1978 states:

“No warrant, check or other negotiable instrument shall be issued in payment for any purchase of services, construction or items of tangible personal property unless the central purchasing office or the using agency certifies that the services, construction or items of tangible personal property have been received and meet specifications or unless prepayment is permitted under [Section 13-1-98](#) NMSA 1978 by exclusion of the purchase from the Procurement Code [ [13-1-28](#) NMSA 1978].”

**Condition:** During our review of travel and per-diem we noted the following instances in which proper procedures were not followed:

- In 3 of 25 items tested the purchase invoice was not in place prior to the purchase of goods and or services. In each instance employee travel occurred prior to the approval of the purchase order. The value of these reimbursements was \$57.28, \$110.72, \$170.00.

In the prior year’s audit there were 11 instances in which there was not a purchase order in place prior to travel taking place.

During our review of significant items we noted the following instances in which proper procedures were not followed:

- In 1 of 22 items reviewed goods and services were received prior to the creation and approval of a purchase order. The services were received from 8/13/15-10/30/15. The purchase order was created and approved on 12/2/15.

In the prior year’s audit, in our review of disbursements and credit cards there was one instance in which a purchase order was not in place prior to obtaining goods in each area of testing. In the current year, we didn’t identify any such instances in those two areas of testing.

**Cause:** District personnel have not followed state guidelines or internal procedures in the payment of services. Policy clearly states that the District must have a signed purchase order in place prior to receiving goods and or services and that there is a receiving document to verify goods and services are received.

**Effect:** Internal control over expenditures and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the District and the Board at risk for fraud or misuse of public funds.

**Auditor’s Recommendation:** We recommend that all personnel be reminded of, or trained in, District and state policies in regards to payment of goods, services, or construction. All District personnel need to be aware that a purchase order must be approved prior to the receipt of goods and services and that all goods and services should be signed for indicating when items were received and by whom. Additionally, when an employee is traveling on school business and will be receiving a reimbursement, the purchase order should be on file prior to employee beginning travel.



**STATE OF NEW MEXICO**  
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Schedule X

**Section II – Financial Statement Findings (Continued)**

**FS 2015-004 – Purchase Orders and Payment Authorization (Non-Compliance) Repeated and Revised (Continued)**

*Responsible official's view:*

- Specific corrective action plan for finding:

**The Finance Department continues to do semi-annual trainings with the site/department bookkeepers informing them of procedure updates and the importance of those procedures. We also meet with principals on an on-going basis and district staff at least annually. Written reprimands are given to the employee that violates procedure, which must be responded to by employee and supervisor. The response must include how they will avoid violating the procedure in the future.**

- Timeline for completion of corrective action plan:

**August and January for semi-annual bookkeeper trainings. On-going with principals and beginning of school year for district staff.**

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

**Finance Director and Business Office Staff.**

**Section II – Financial Statement Findings (Continued)**

**FS 2016-001 – Failure to Follow Bid/RFP and Sole Source Procedures (Non-Compliance)**

**Criteria: 1.4.1.15 NMAC 1978 COMPETITIVE SEALED BIDS REQUIRED:** All procurement shall be achieved by competitive sealed bids except procurement achieved pursuant to the following methods:

- A. competitive sealed proposals;
- B. small purchases;
- C. sole source procurement;
- D. emergency procurement;
- E. procurement under existing contracts; and
- F. purchases from anti-poverty program businesses.

**1.4.1.17 NMAC 1978 PUBLIC NOTICE INVITATION FOR BID:** Publication. The IFB or notice thereof shall be published not less than ten calendar days prior to the date set for the opening of bids. The IFB or notice must be published once in at least three newspapers of general circulation in this state.

A. These requirements of publication are in addition to any other procedures that may be adopted by the state purchasing agent to notify prospective bidders that bids will be received, including but not limited to publication in trade journals, if available.

B. **Bidder lists.** The state purchasing agent shall send copies of the notice or IFB involving the expenditure of more than sixty thousand dollars (\$60,000) to those businesses which have signified in writing an interest in submitting bids for particular categories of items of tangible personal property, construction and services and which have paid any required fees. (13-1-104 NMSA 1978). Reference is also given to 1.4.1.48 NMAC of this rule.

C. Public availability. A copy of the IFB shall be made available for public inspection at the office of the state purchasing agent.

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

A. **Quotation to be obtained.** Insofar as it is practical for small purchases of nonprofessional services, construction or items of tangible personal property having a value exceeding twenty thousand dollars (\$20,000) but not exceeding sixty thousand dollars (\$60,000), and in accordance with any procedures or processes set forth by the state purchasing agent, no fewer than three businesses shall be solicited via written requests containing the specifications for the procurement to submit written quotations that are recorded and placed in the procurement file. If three written quotes cannot be obtained, the agency shall document the reasons and include the document in the procurement file. Such notations as “does not carry” or “did not return my phone call” do not qualify as a valid quotation. If the lowest quotation is not acceptable, the central purchasing office must issue a written determination as to the reasons for such a decision. These reasons must not be arbitrary or capricious. The written determination becomes a part of the procurement file.

B. **Disclosure.** Prior to award, the contents of any response to a quotation shall not be disclosed to any other business from which the same request for quotation is also being solicited. Award in this context means the final required state agency signature on the contract(s) resulting from the procurement.

C. **Award.** Award shall be made to the business offering the lowest acceptable quotation.

D. **Records.** The names of the businesses submitting quotations and the date and the amount of each quotation shall be recorded and maintained as a public record.

**1.4.1.53 NMAC 1978 APPLICATION (SOLE SOURCE PROCUREMENTS, 1.4.1.53 - 1.4.1.57 NMAC):** The provisions of 1.4.1.53 through 1.4.1.57 NMAC of this rule apply to all sole source procurements unless emergency conditions exist as defined in 1.4.1.59 NMAC of this rule.

**Section II – Financial Statement Findings (Continued)**

**FS 2016-001 – Failure to Follow Bid/RFP and Sole Source Procedures (Non-Compliance) (Continued)**

**1.4.1.54 NMAC 1978 SOLE SOURCE PROCUREMENT OF ITEMS OF TANGIBLE PERSONAL PROPERTY, CONSTRUCTION AND NONPROFESSIONAL SERVICES:**

A. Conditions for use. A contract may be awarded without competitive sealed bids or competitive sealed proposals, regardless of the estimated cost, when the state purchasing agent or a central purchasing office, employing due diligence, determines, in writing, that:

(1) there is only one source for the required service, construction or item of tangible personal property;

(2) the service, construction or item of tangible personal property is unique and this uniqueness is substantially related to the intended purpose of the contract; and

(3) other similar services, construction or items of tangible personal property cannot meet the intended purpose of the contract.

B. Request by using agency. **Any request by a using agency that a procurement be restricted to one potential contractor shall be accompanied by a written explanation as to why no other will be suitable or acceptable to meet the need. The written explanation shall be made upon a form provided by the state purchasing agent and available on-line.**

C. Posting. Prior to the award of a sole source procurement contract, the state purchasing agent or central purchasing office shall:

(1) provide the information set forth in statute and listed upon the form made available by the state purchasing agent on the state purchasing agent's website to the department of information technology for posting on the sunshine portal; and

(2) forward the same information to the legislative finance committee.

D. **A local public body central purchasing office, prior to award of a sole source contract, shall post the information required by statute on the local public body website, if one exists.**

E. Negotiations. The state purchasing agent or a central purchasing office shall conduct negotiations, as appropriate, as to price, delivery and quantity, in order to obtain the price most advantageous to the state.

F. Notice; protest. **At least 30 days before a sole source contract is awarded, the state purchasing agent, a central purchasing office, or a designee of either shall post notice of the intent to award a sole source contract on its website. If a central purchasing office does not maintain a website, it may post the notice on the state purchasing agent's website. Any qualified potential contractor who was not awarded a sole source contract may protest to the state purchasing agent or a central purchasing office. The protest shall be submitted:**

(1) in writing; and

(2) within 15 calendar days of the notice of intent to award a contract being posted by the state purchasing agent or a central purchasing office.

G. Specifications. **The state purchasing agent or a central purchasing office shall not circumvent the sole source request and posting and award process by narrowly drafting specifications so that only one predetermined source would satisfy those specifications.**

1.4.1.57 NMAC 1978 **RECORDS OF SOLE SOURCE PROCUREMENTS:** The state purchasing agent or central purchasing office shall maintain records of sole source procurements for a minimum of three years. The party responsible for the procurement must retain the records. Posting such procurements on the state purchasing agent's website does not remove the central purchasing office's responsibility to maintain these records if the central purchasing office was responsible for the procurement. The record of each such procurement shall be a public record and shall contain:

A. the contractor's name and address;

B. the amount and term of the contract;

C. a listing of the services, construction, or items of tangible personal property procured under the contract; and

**Section II – Financial Statement Findings (Continued)**

**FS 2016-001 – Failure to Follow Bid/RFP and Sole Source Procedures (Non-Compliance) (Continued)**

D. the justification for the procurement method which shall include any written determinations and written approvals required by any provision of 1.4.1.53 through 1.4.1.57 NMAC of this rule.

**1.4.1.65 NMAC 1978 PROCUREMENT UNDER EXISTING CONTRACTS AUTHORIZED:** The state purchasing agent or a central purchasing office may contract for services, professional services, construction, or items of tangible personal property without the use of competitive sealed bids or competitive sealed proposals as follows:

A. at a price equal to or less than the contractor's current federal supply contract (GSA), providing the contractor has indicated in writing a willingness to extend the contract's pricing, terms and conditions to the state agency and the purchase order adequately identifies the contract relied upon; or

B. **with a business which has a current price agreement with the state purchasing agent or a central purchasing office for the item, services, or construction meeting the same standards and specifications as the items to be procured, if the following conditions are met:**

(1) **the total quantity purchased does not exceed the quantity which may be purchased under the applicable price agreement; and**

(2) **the purchase order adequately identifies the price agreement relied upon;**

C. other than Subsection A and B of this section and cooperative procurements as authorized by statute (and described in 13-1-135 NMSA 1978) or the state procurement card program (described in 6-5-9.1 NMSA 1978), no other procurement under existing contracts is authorized; no central purchasing office of a state agency or any other governmental entity may utilize a contract entered into by a different state agency or other governmental entity if not involved in the procurement itself (i.e., so-called “piggybacking” of contracts; the practice of “piggybacking” is not allowed under the Procurement Code); purchases under contracts developed through cooperative procurement authorized under 13-1-135 NMSA 1978 or contracts which qualify under 13-1-129 NMSA 1978 is permitted and does not constitute “piggybacking.”

**Condition:** During our testing of individually significant items we identified the following instances in which proper procedures were not followed:

- In 2 of 22 items reviewed vendors were paid \$79,464 and more than \$100,000 for goods and services without going out to bid. In one of the situations, the District had relied upon a prior contract from Central Consolidated School District (CCSD) and the vendor; however, the scope of work and items purchased by the District were not the same as was contracted by the vendor and CCSD. In the other case no documentation existed as to why the notebooks were obtained without bidding the items or documenting why they would be sole-source items.
- The District awarded a sole source contract to a vendor in the amount of \$58,886.98. The State requires quotes be obtained from three businesses for purchases greater than \$20,000 and less than \$60,000. The District advised that this was a sole source contract. The District did not provide adequate documentation to show that the products purchased could not be obtained by any other vendor. The District also did not post the intent to award a sole source contract on their website and allow 30 days for any other vendors an opportunity to protest the award.

**Cause:** The District has not followed State guidelines for purchases requiring invitation for bids and did not follow all guidelines for no bid contracts.

**Effect:** The District is not in compliance with state purchasing guidelines and could have their bidding procedures challenged. Additionally, the District may not be obtaining the best possible price for products or services.

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Schedule X

**Section II – Financial Statement Findings (Continued)**

**FS 2016-001 – Failure to Follow Bid/RFP and Sole Source Procedures (Non-Compliance) (Continued)**

*Auditor's Recommendation:* We recommend that the District review all potential contracts they have which may require bids to be obtained. After identifying any possible instances, the District should put these items out for bid in order to be in compliance with State and District policies. If the District believes that the item they are obtaining is a valid sole source item, the District should document this properly and follow all sole-source procedures as outlined in statute.

*Responsible official's view:*

- Specific corrective action plan for finding:

**One of the vendors is the state approved book depository vendor that the district uses for student textbook purchases. It was our impression that a bid was not required to use this vendor. The PED directs us to use this vendor. Purchases requiring a RFP or ITB will be done, on an as needed basis. The district will review purchases and ensure contract/bid specifications are followed more closely in the future.**

**The Business Office will exercise due diligence for sole source items prior to the 30-day posting on the districts' Business Office web page. Documentation will be attached to the original purchase order.**

- Timeline for completion of corrective action plan:

**Immediately**

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

**Finance Director and Business Office Staff**

**Section II – Financial Statement Findings (Continued)**

**FS 2016- 002 – Background Checks (Non-Compliance)**

**Criteria: 22-10A-5 NMSA 1978: Background checks; known convictions; alleged ethical misconduct; reporting required; limited immunity; penalty for failure to report.**

A. As used in this section, "ethical misconduct" means **unacceptable behavior or conduct engaged in by a licensed school employee and includes inappropriate touching, sexual harassment, discrimination and behavior intended to induce a child into engaging in illegal, immoral or other prohibited behavior.**

B. An applicant for initial licensure shall be fingerprinted and shall provide two fingerprint cards or the equivalent electronic fingerprints to the department **to obtain the applicant's federal bureau of investigation record.** Convictions of felonies or misdemeanors contained in the federal bureau of investigation record shall be used in accordance with the Criminal Offender Employment Act [28-2-1 through 28-2-6 NMSA 1978]. Other information contained in the federal bureau of investigation record, if supported by independent evidence, may form the basis for the denial, suspension or revocation of a license for good and just cause. Records and related information shall be privileged and shall not be disclosed to a person not directly involved in the licensure or employment decisions affecting the specific applicant. The applicant for initial licensure shall pay for the cost of obtaining the federal bureau of investigation record.

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

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

**Condition:** During our review of personnel files we noted the following instances in which there was insufficient documentation:

- 5 of 25 personnel files reviewed did not have a copy of the FBI background check in the file.

**Cause:** The District has not followed state guidelines in regards to documentation of background checks.

**Effect:** The District's failure to maintain a background check report in the employee file is a violation of state statute and puts the District at additional risk of liability for any actions that may arise regarding employee conduct and does not comply with state regulations.

**Auditor's Recommendation:** We recommend that the District establish a policy regarding background checks and ensure they are properly maintained within the employee personnel file. If a valid background check does not exist in the file then a new background check should be completed.

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Schedule X

**Section II – Financial Statement Findings (Continued)**

**FS 2016- 002 – Background Checks (Non-Compliance) (Continued)**

*Responsible Official's View:*

- Specific corrective action plan for finding:

**All regular, substitute and casual employee files will be audited for background check documentation. If no documentation is found in the employee's file, the employee will receive a letter requiring them to have their background check processed.**

- Timeline for completion of corrective action plan:

**Employees with no background check documentation will be required to submit one for processing by September 2016.**

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

**HR Director and HR Generalist.**

**Section II – Financial Statement Findings (Continued)**

**FS 2016-003 – Incorrect Travel and Per Diem Reimbursement (Non Compliance)**

**Criteria: 2.42.2.8 NMAC 1978 PER DIEM RATES PRORATION:**

A. Applicability: Per diem rates shall be paid to public officers and employees only in accordance with the provisions of this section. Per diem rates shall be paid without regard to whether expenses are actually incurred. Where lodging and/or meals are provided or paid for by the agency, the governing body, or another entity, the public officer or employee is entitled to reimbursement only for actual expenses under 2.42.2.9 NMAC.

B. Per diem rate computation: Except as provided in Subsections C through I of this Section, per diem rates for travel by public officers and employees shall be computed as follows:

(1) Partial day per diem rate: Public officers or employees who occasionally and irregularly travel **shall be reimbursed** for travel which does not require overnight lodging, but extends beyond a normal work day as follows:

- (a) for less than 2 hours of travel beyond normal work day, none;
- (b) **for 2 hours, but less than 6 hours beyond the normal work day, \$12.00;**
- (c) for 6 six hours, but less than 12 hours beyond the normal work day, \$20.00;
- (d) for 12 hours or more beyond the normal work day, \$30.00;
- (e) “Occasionally and irregularly” means not on a regular basis and infrequently as determined

by the agency. For example, an employee is not entitled to per diem rates under this subparagraph if the employee either travels once a week or travels every fourth Thursday of the month. However, the employee is entitled to per diem rates under this subparagraph if the employee either travels once a month with irregular destinations and at irregular times or travels four times in one month and then does not travel again in the next two months, so long as this is not a regular pattern.

(f) “Normal work day” means 8 hours within a nine-hour period for all public officers and employees both salaried and nonsalaried, regardless of the officers’ or employees’ regular work schedule.

(2) Overnight travel: Regardless of the number of hours traveled, travel for public officers and employees where overnight lodging is required shall be reimbursed as follows:

- (a) **in state areas \$85.00**
- (b) in state special areas \$135.00
- (c) out of state areas \$115.00;
- (d) or actual lodging and meal expenses under 2.42.2.9 NMAC.

(3) Return from overnight travel: On the last day of travel when overnight lodging is no longer required, partial day reimbursement shall be made. To calculate the number of hours in the partial day, begin with the time the traveler initially departed. Divide the number of hours traveled by 24. The hours remaining constitute the partial day which shall be reimbursed as follows:

- (a) for less than 2 hours, none;
- (b) **for 2 hours, but less than 6 hours, \$12.00;**
- (c) for 6 hours or more, but less than 12 hours, \$20.00;
- (d) for 12 hours or more, \$30.00.

**Condition:** During our testing of single audit disbursements we noted the following instances in which proper procedures were not followed:

- In 4 instances tested, the per diem rate was not paid at the proper rate. In each of the instances an individual returning from an overnight travel was gone for more than 2 hours but less than 6 hours and should have been reimbursed \$12.00. Due to an error in one of the calculations at the wrong rate the individuals were reimbursed from \$4.00 to \$12.00 less than required by statute.



**Section II – Financial Statement Findings (Continued)**

**FS 2016-003 – Incorrect Travel and Per Diem Reimbursement (Non Compliance) (Continued)**

During our testing of travel and per diem we noted the following instances in which proper procedures were not followed:

- In 1 instance the per diem rate was not paid at the proper rate. An individual returning from an overnight travel was gone for more than 2 hours but less than 6 hours and should have been reimbursed \$12.00. The employee was only reimbursed \$170.00 when they should have been reimbursed \$182.00.

**Cause:** The District did not properly calculate the rate for reimbursement.

**Effect:** The District underpaid employees seeking travel reimbursement.

**Auditor's Recommendation:** We recommend that management ensure that they are calculating reimbursements properly and that all individuals traveling partial days be reimbursed the proper amounts per statute.

**Responsible Official's View:**

- Specific corrective action plan for finding:

**Partial day pro-ration chart is part of the travel form that the employee completes for reimbursement. Travel is part of the annual staff training and we do explain how the 24-hour rule and partial pro-ration reimbursement works. Business Office staff will review travel reimbursements as they are submitted for correct calculations.**

- Timeline for completion of corrective action plan:

**Immediately**

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

**Employees that travel and Business Office staff**

**Section II – Financial Statement Findings (Continued)**

**FS 2016-004 – Improper Cash Controls Outstanding Warrants (Non-Compliance)**

**Criteria: NMAC 6.20.2.14 1978 CASH CONTROL STANDARDS:**

A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

I. Vouchers shall be numbered in such a manner as to provide a cross-reference between the voucher, the check, and the check register. All blank checks shall be properly safeguarded and an inventory of unused checks shall be taken periodically. Completed vouchers and supporting documentation is to be placed in numerical sequence, by the month in which they were paid, and filed for future reference and annual audit.

(1) **Each warrant or check issued shall have printed on its face the words, "void after one year from date". Whenever any warrant or check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57(A), NMSA 1978.**

(2) The fiscal officer shall keep a register of all canceled warrants/checks. The register shall show the number, date and amount, name of payee, fund out of which it was payable, and date of cancellation. The face amount shall revert and be credited to the fund against which the warrant/check was drawn.

**Condition:** During our review of bank statements we noted the following instances where proper procedures were not followed:

- We noted 2 warrants which were outstanding for more than 1 year which had not been voided and cancelled in compliance with the above statute.

**Cause:** The staff of the District did not follow proper state guidelines for voiding outstanding warrants.

**Effect:** Non-adherence to state statutes places the District in noncompliance and could subject the District to a possible occurrence of fraud.

**Auditors' Recommendations:** We recommend that the District emphasize the importance of properly voiding outstanding warrants which have exceeded one year since execution.

**Responsible Official's View:**

- Specific corrective action plan for finding:

**Business Office staff has been informed of proper procedure to follow-up on outstanding warrants. If the vendor does not respond to requests to cash check or submit an affidavit of lost check, then the warrants will be voided once they are one year old.**

- Timeline for completion of corrective action plan:

**Immediately**

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

**Business Office Staff**

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Schedule X

**Section III – Federal Award Findings**

**FA 2016-001 – Annual Report Card High School Graduation Rate for Title I (Significant Deficiency)**

**Federal Program Information:**

Funding Agency: Department of Education  
Passthrough- State of New Mexico Public Education Department  
Title: Title I IASA Grants to Local Educational Agencies  
CFDA Number: 84.010  
Award Year: NA

**Criteria:** Per the Adequate Yearly Progress and Other Academic Indicators as described in 34 CFR section 200.13(b)(7)(ii) and 200.19(b)(1), a state educational agency (SEA) and its local educational agencies (LEAs) must report graduation rate data for all public high schools using a 4-year adjusted cohort rate defined as the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for that graduating class. To remove a student from the cohort, a school or LEA must confirm in writing that the student transferred out, emigrated to another country, or is deceased. To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in a non-NMPED school that culminates in the award of a regular high school diploma.

**Condition:** During our review of the District’s student cohort, it was noted that neither the District offices nor schools had any documentation for student transfers to non-New Mexico PED entities for any of the 4 students reviewed. All 4 of these students were listed on the cohort with the withdrawal code W8, which is intended for students who transfer to a non-New Mexico PED reporting school.

**Effect:** The District’s reported High School Graduation Rate for the 2015-2016 school year cannot be verified due to lack of written documentation for students removed from the cohort as transfers.

**Questioned Costs:** None

**Cause:** Lack of internal controls at school sites to ensure that District staff obtains all necessary written documentation for student personnel files, including proof of transfer to non-NMPED schools.

**Auditors’ Recommendation:** We recommend that District management implement controls over school sites to ensure student personnel files are complete and accurate, including internal audits of school sites and periodic reviews, and a secondary review of the cohort whenever the withdrawal code “W8” is identified, for students who transfer out of the District, are implemented, as well as review of all students with the W codes in the system.

**Responsible Official’s View:**

- Specific corrective action plan for finding:

**Ensure controls are in place to follow and track students that have left the district.**

- Timeline for completion of corrective action plan:

**Immediately**

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

**High School Registrar**

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule X

**Section IV – Prior Year Audit Findings**

**Financial Statement Findings**

FS 2015-001 Improper Approval of Budget Adjustment – Resolved  
FS 2015-002 Improper Recording of Journal Entries – Resolved  
FS 2015-003 Timeliness of Deposits and Recording of Deposits - Resolved  
FS 2015-004 Purchase Orders and Payment Authorization – Repeated and Revised  
FS 2015-005 Improper Mileage Reimbursement – Resolved  
FS 2015-006 Segregation of Duties – Resolved  
FS 2015-007 Cash Appropriations in Excess of Available Cash Balance – Resolved

**Federal Awards Findings**

FA 2015-001 Improper Maintenance of Personnel Activity Reports – Resolved  
FA 2015-002 Purchase Order and Payment Authorization – Resolved  
FA 2015-003 Procurement and Suspension and Debarment – Resolved

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6**  
**OTHER DISCLOSURES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Auditor Prepared Financial Statements**

Manning Accounting and Consulting Services, LLC prepared the GAAP-basis financial statements and footnotes of Bloomfield Municipal School District No. 6 from the original books and records provided to them by the management of the District. The District's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements. The responsibility for the financial statements remains with the District.

**Exit Conference**

The contents of this report were discussed on October 13, 2016. The following individuals were in attendance.

**Bloomfield Municipal School District No. 6**

Dr. Kimberly Mizell, Superintendent  
Dale J. Maes, School Board President  
Jeanie Milton, Audit Committee Finance Member  
Debbie Hernandez, Audit Committee Parent Member  
Jodie Maestas, Finance Director  
Tami Nothstine, Business Manager

**Manning Accounting and Consulting Services, LLC**

Byron R. Manning, CPA

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

## BOOK-ENTRY-ONLY SYSTEM

*This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York ("DTC") while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District, the Financial Advisor and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.*

*The District and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption notices or other notices to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption notices or other notices to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.*

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the

Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments, with respect to the Bonds, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Securities depository). In that event, Bond certificates will be printed and delivered to bond holders.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District, the Financial Advisor and the Underwriters believe to be reliable, but none of the District, the Financial Advisor or the Underwriters take any responsibility for the accuracy thereof.

#### **Use of Certain Terms in Other Sections of this Official Statement**

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Direct or Indirect Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Order will be given only to DTC.

#### **Effect of Termination of Book-Entry-Only System**

In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the District, printed Bonds will be issued to the holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Resolution and summarized under "The Bonds" below in this Official Statement.



## APPENDIX D

### BOND COUNSEL OPINION



MODRALL SPERLING

L A W Y E R S

February 22, 2017

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Ruth M. Schifani  
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Larry P. Ausherman  
Douglas R. Vadnais  
Walter E. Stern III  
Martha G. Brown  
Tim L. Fields  
Earl E. DeBrine, Jr.  
Timothy C. Holm  
George R. McFall  
Roberta Cooper Ramo  
Stuart R. Butzier  
Donald A. DeCandia  
Margaret L. Meister  
Peter L. Franklin  
Jennifer A. Noya  
Zachary L. McCormick  
Marjorie A. Rogers  
Karen L. Kahn  
Christopher P. Muirhead  
Maria O'Brien  
Stan N. Harris  
Marco E. Gonzales  
Michelle A. Hernandez  
Jennifer G. Anderson  
Joan E. Drake  
Alex C. Walker  
Susan M. Bisong  
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Megan T. Muirhead  
Nadine E. Shea  
Anna E. Indahl  
Deana M. Bennett  
Tiffany L. Roach Martin  
Daniel M. Alsup  
Spencer L. Edelman  
Nathan T. Nieman  
Christina C. Sheehan  
Andrew B. Indahl  
Jeremy K. Harrison  
Sarah M. Stevenson  
Katherine M. Creagan  
Elizabeth A. Martinez  
Jennifer L. Bradfute  
Sonya R. Burke  
Mia L. Kern  
Emily P. Chase-Sosnoff  
Tomas J. Garcia  
Zoë E. Lees  
Meghan H. Mead  
Vanessa C. Kaczmarek  
Cristina A. Mulcahy  
Robin E. James  
Luke W. Holmen

Board of Education  
Bloomfield Municipal School District No. 6  
Bloomfield, New Mexico

We have acted as bond counsel to the Bloomfield Municipal School District No. 6 (the "District") in connection with the issuance of its \$10,895,000, General Obligation Refunding Bonds, Series 2017 (the "Bonds") dated February 22, 2017, with interest payable on September 1, 2017 and semi-annually thereafter on each March 1 and September 1, until maturity or prior redemption and being Bonds in registered form maturing on September 1, in the years 2023 through 2028, inclusive, and 2030.

We have examined the transcript of proceedings (the "Transcript") relating to the issuance of the Bonds and the law under authority of which the Bonds are issued. Based on our examination, we are of the opinion that, under the law existing on the date of this opinion, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights and further subject to exercise of judicial discretion in accordance with general principles of equity:

1. The Bonds constitute valid and binding general obligations of the District and are to be paid from the proceeds of the levy of ad valorem taxes on all taxable property within the District without limitation as to rate or amount.

2. Assuming continuing compliance by the District with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and with the covenants contained in the Transcript regarding the use, expenditure and investment of Bond proceeds, interest on the Bonds is not includable in the gross income of the owners of the Bonds for purposes of federal income taxation. Interest on the Bonds is not treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations. Failure of the District to comply with its covenants and with the requirements of the Code may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance.

3. Interest on the Bonds is excluded from net income for purposes of the tax imposed on individuals, estates and trusts under the New Mexico Income Tax Act and for purposes of the tax imposed on corporations under the New Mexico Corporate Income and Franchise Tax Act.

Other than as described herein, we have not addressed nor are we opining on the tax consequences to any person of the investment in, or the receipt of interest on, the Bonds.

Respectfully submitted,

APPENDIX E

CONTINUING DISCLOSURE UNDERTAKING

## CONTINUING DISCLOSURE UNDERTAKING

Section 1. Recitals. This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the Bloomfield Municipal School District No. 6, San Juan County, New Mexico (the “District”) in connection with the issuance of the \$10,895,000 Bloomfield Municipal School District No. 6, San Juan County, New Mexico, General Obligation Refunding Bonds, Series 2017 (the “Bonds”). The Bonds are being issued pursuant to a Resolution of the District adopted on January 20, 2017 (the “Resolution”). Pursuant to the Resolution, to allow the underwriters of the Bonds to comply with the Rule (defined below), the District is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Bonds (the “Owners”). This Undertaking is intended to satisfy the requirements of the Rule.

### Section 2. Definitions.

(a) “Annual Financial Information” means the financial information (which will be based on financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time (“GAAP”), for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”)) and operating data with respect to the District, delivered at least annually pursuant to Sections 3(a) and 3(b) of this Undertaking, consisting of information of the type set forth under the captions “DEBT AND OTHER FINANCIAL OBLIGATIONS,” “TAX BASE,” “THE DISTRICT – Student Enrollment,” and “FINANCES OF THE EDUCATIONAL PROGRAM – State Equalization Guarantee, Statement of Net Position, -Governmental Activities, Statement of Activities- Governmental Activities, Balance Sheet – General Fund Only, Statement of Revenues, Expenditures & Changes in Fund Balances – General Fund Only” in the Official Statement. Annual Financial Information will include Audited Financial Statements if available.

(b) "Audited Financial Statements" means the District’s annual financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time (“GAAP”), for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”), which financial statements have been audited as may then be required or permitted by the laws of the State.

(c) “EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System located on its website at [emma.msrb.org](http://emma.msrb.org).

(d) "Event Information" means the information delivered pursuant to Section 3(d).

(e) "MSRB" means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314, phone (703) 797-6600, fax (703) 797-6708.

(f) "Official Statement" means the Official Statement dated January 10, 2017, delivered in connection with the original issue and sale of the Bonds.

(g) "Report Date" means March 31 of each year, beginning in 2017.

(h) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12), as the same may be amended from time to time.

(i) "SEC" means the United States Securities and Exchange Commission.

(j) "State" means the State of New Mexico.

Section 3. Provision of Annual Financial Information and Reporting of Event Information.

(a) The District, or its designated agent, will provide to EMMA the Annual Financial Information for the preceding fiscal year ending on June 30 on or before the Report Date while the Bonds are outstanding.

(b) If Audited Financial Statements are not provided as a part of the Annual Financial Information, the District, or its designated agent, will provide unaudited financial statements, if available, as part of the Annual Financial Information. In such cases, unaudited financial statements will be provided when available and Audited Financial Statements will be provided to EMMA when available.

(c) The District, or its designated agent, may provide Annual Financial Information by specific reference to other documents, including information reports and official statements relating to other debt issues of the District, which have been submitted to EMMA or filed with the SEC; provided, however, that if the document so referenced is a "final official statement" within the meaning of the Rule, such final official statement must also be available from EMMA.

(d) The District, or its designated agent, will provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) modifications to rights of security holders, if material;

(viii) bond calls, if material;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the securities, if material;

(xi) rating changes;

(xii) failure to provide event filing information as required herein;

(xiii) tender offers;

(xiv) the consummation of a merger, consolidation or acquisition involving the District or the sale of all or substantially all assets of the District;

(xv) bankruptcy, insolvency, receivership or similar event with respect to the District or an obligated person; and

(xvi) appointment of a successor or additional trustee, or the change of name of a trustee, if material.

(e) The District, or its designated agent, will provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any: (i) failure of the District to timely provide the Annual Financial Information, including unaudited and Audit Financial Statements, as specified in Sections 3(a) and 3(b); (ii) changes in its fiscal year-end; and (iii) amendment of this Undertaking.

Section 4. Method of Transmission. The District, or its designated agent, will employ such methods of electronic or physical information transmission as are requested or recommended from time to time by EMMA, the MSRB or the SEC.

Section 5. Enforcement. The obligations of the District under this Undertaking are for the benefit of the Owners. Each Owner is authorized to take action to seek specific performance by court order to compel the District to comply with its obligations under this Undertaking, which action will be the exclusive remedy available to it or any other Owner. The District's breach of its obligations under this Undertaking will not constitute an event of default under the Resolution, and none of the rights and remedies provided by such Resolution will be available to the Owners with respect to such a breach.

Section 6. Term. The District's obligations under this Undertaking will be in effect from and after the issuance and delivery of the Bonds and will extend to the earliest of (i) the date all principal and interest on the Bonds has been paid or legally defeased pursuant to the terms of the Resolution; (ii) the date on which the District is no longer an "obligated person" with respect to the Bonds within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Undertaking are determined to be invalid or unenforceable by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 7. Amendments. The District may amend this Undertaking from time to time, without the consent of any Owner, upon the District's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment:

(a) is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the District;

(b) this Undertaking, as amended, would have complied with the Rule at the time of the initial issue and sale of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) the amendment does not materially impair the interests of the Owners.

Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Beneficiaries. This Undertaking binds and inures to the sole benefit of the District and the Owners and creates no rights in any other person or entity.



Section 9. Requesting Information. In addition to viewing information on EMMA, persons seeking to obtain the Annual Financial Information, including the Audited Financial Statements, may also obtain such information by contacting the District's Director of Finance, Bloomfield Municipal School District No. 6, 325 North Bergin Lane, Bloomfield, New Mexico 87413, telephone (505) 632-4300.

Section 10. Governing Law. This Undertaking is governed by and is to be construed in accordance with the law of the State.

Date: February 22, 2017.

BLOOMFIELD MUNICIPAL SCHOOL  
DISTRICT NO. 6

By: \_\_\_\_\_  
President, Board of Education

By: \_\_\_\_\_  
Superintendent

ATTEST:

By: \_\_\_\_\_  
Secretary, Board of Education