

OFFICIAL STATEMENT DATED SEPTEMBER 26, 2017

CLOVIS MUNICIPAL SCHOOL DISTRICT NO. 1

Curry County, New Mexico

\$5,000,000 - General Obligation School Bonds, Series 2017 (the "Bonds")

NEW ISSUE  
Book-Entry Only

Bank Qualified  
Moody's Rating: Underlying Aa3/Aa2 Enhanced

PURPOSE	Proceeds of the Bonds will be used for the purpose of (i) erecting, remodeling, making additions to and furnishing school buildings, purchasing or improving school grounds, purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act [NMSA 1978, §§ 22-24-1 et. seq.], or any combination of these purposes and (ii) paying costs of issuance.
THE BONDS	The 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"). Purchases of the Bonds will be made in book-entry only form, 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 Bonds will not be entitled to receive physical delivery of Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. Interest on the Bonds is payable on each February 1 and August 1, commencing February 1, 2018. As long as DTC or its nominee is the registered owner of the Bonds, reference in this Official Statement to registered owner will mean Cede & Co., and payments of principal of and interest on the Bonds will be made directly to DTC by the Registrar/Paying Agent. Disbursements of such payments to DTC Participants are the responsibility of DTC. See "The Book-Entry-Only System" in Appendix C. BOKF, N.A., Albuquerque, New Mexico, or its successor is the Registrar/Paying Agent and Escrow Agent for the Bonds.
OPTIONAL REDEMPTION	The Bonds are subject to redemption prior to maturity as provided herein.
SECURITY	The Bonds are general obligations of the Clovis Municipal School District No. 1, Curry County, New Mexico, 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.
BOND AND TAX OPINION	In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under present federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code") and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code under present federal income tax laws except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. Bond Counsel is further of the opinion that, assuming continuous compliance with certain covenants, interest on the Bonds is exempt from taxation by the State of New Mexico or any subdivision thereof. Delivery of the Series 2017 Bonds is also subject to the delivery of an approving opinion of the Attorney General of the State of New Mexico. Bond Counsel expresses no opinion regarding other federal income tax consequences relating to the accrual or receipt of interest on the Bonds. (See "Tax Exemption" herein.) The District has designated the Bonds as "Qualified Tax Exempt Obligations" for the purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986 (see "Financial Institution Interest Deduction" herein.)
DELIVERY	When, as and if issued, through DTC's facilities, on or about October 24, 2017.
DATED DATE	Date of Delivery
DUE DATE	August 1, as shown on the following page:

**BAIRD**

## Clovis Municipal School District No. 1

## General Obligation School Building Bonds, Series 2017

Cusip **#					Cusip **#				
<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>189414</u>	<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>189414</u>
2018	\$365,000	3.000%	0.900%	MT9	2026	400,000	3.000%	1.900%	NB7
2019	235,000	3.000%	1.000%	MU6	2027	400,000	2.250%	2.000%	NC5
2020	200,000	3.000%	1.100%	MV4	2028	570,000	2.500%	2.100%	ND3
2021	100,000	3.000%	1.250%	MW2	2029	570,000	2.750%	2.200%	NE1
2022	100,000	3.000%	1.400%	MX0	2030	570,000	2.750%	2.300%	NF8
2023	100,000	3.000%	1.550%	MY8	2031	570,000	3.000%	2.400%	NG6
2024	100,000	3.000%	1.700%	MZ5	2032	570,000	3.000%	2.500%	NH4
2025	150,000	3.000%	1.850%	NA9					

**\*\* - 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 LLC 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. CUSIP numbers are included herein solely for the convenience of the owners of the Bonds. None of the District, the Financial Advisor nor the Underwriters shall be responsible for the selection or the correctness of the CUSIP numbers shown herein.**

## **ISSUER**

Clovis Municipal School District No. 1  
Curry County, New Mexico  
1009 Main Street  
Clovis, New Mexico 88101  
(505) 769-4300  
(505) 769-4334 - Fax

## **BOARD OF EDUCATION**

*President:* Paul Cordova  
*Vice-President & Acting Secretary:* Terry Martin  
*Member:* Shawn Hamilton  
*Member:* Kyle Snider  
*Member:* Cindy Osburn

## **DISTRICT ADMINISTRATION**

*Superintendent:* Jody Balch  
*Deputy Superintendent of Instruction:* Cindy Martin  
*Deputy Superintendent of Operations:* Carrie Bunce  
*Chief Financial Officer:* Shawna Russell

## **FINANCIAL ADVISOR**

RBC Capital Markets, LLC  
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Albuquerque, New Mexico 87110  
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## **BOND COUNSEL**

Modrall, Sperling, Roehl, Harris & Sisk, P.A.  
P.O. Box 2168  
Albuquerque, New Mexico 87103  
(505) 848-1800

## **PAYING AGENT/REGISTRAR**

BOKF, N.A.  
100 Sun Avenue NE, Suite 500  
Albuquerque, New Mexico 87109  
(505) 222-8447

## **ELECTRONIC BID PROVIDER**

i-Deal LLC (Bidcomp/Parity)  
1359 Broadway – 2<sup>nd</sup> Floor  
New York, New York 10018  
(212) 849-5021

## **PURCHASER**

Robert W. Baird & Co. Inc.  
777 E. Wisconsin Avenue  
Milwaukee, WI 53202  
(414) 765-3725

## 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 Bonds in any jurisdiction where it is unlawful to make such offer, solicitation or sale and no unlawful offer, solicitation or sale of the 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 Underwriter may over-allot or effect transactions which stabilize and maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. The Underwriter is not obligated to do this and is 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 District and other reliable sources have provided information for this Official Statement, with the goal of providing disclosure to investors which meets legal requirements.

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. While the Financial Advisor has performed a review sufficient to form a reasonable basis for its belief in the accuracy and completeness of the key representations of the District contained in this Official Statement, the Financial Advisor does not guarantee the accuracy or completeness of the Official Statement. 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.

Bond Counsel, Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico was not requested and did not take part in the preparation of the Official Statement nor has such firm undertaken to independently verify any of the information contained herein. Such firm has no responsibility for the accuracy or completeness of any information furnished in connection with any offer or sale of the Bonds in the Official Statement or otherwise. The legal fees to be paid to bond counsel for services rendered in connection with the issuance of the Bonds is contingent, in part, upon the sale and delivery of such 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.

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**

Clovis Municipal School District No. 1  
1009 Main Street  
Clovis, NM 88101  
Attn: Shawna Russell

#### **Financial Advisor**

RBC Capital Markets, LLC  
6301 Uptown Blvd. NE, Suite 110  
Albuquerque, NM 87110  
Attn: Erik Harrigan

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# **Clovis Municipal School District No. 1**

## **Curry County, New Mexico**

### **\$5,000,000 - General Obligation School Bonds, Series 2017 (the "Bonds")**

#### **INTRODUCTION**

Thank you for your interest in learning more about the \$5,000,000 Clovis Municipal School District No. 1, New Mexico, General Obligation School Building Bonds, Series 2017 ("the Bonds"). This Official Statement will tell you about the Bonds, their security and the risks involved in an investment in the Bonds.

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

The Bonds are fully registered bonds in denominations of \$5,000 or integral multiples thereof as described in the Bond Resolution. The Bonds mature and bear interest as presented on the cover page of this Official Statement.

#### **The Issuer**

The District is a political subdivision of the State of New Mexico (the "State") organized for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The District encompasses approximately 462 square miles, which includes the City of Clovis (the "City") and unincorporated portions of Curry County (the "County") in east-Central New Mexico. The District's 2017 preliminary assessed valuation is \$803,103,642 and its 2016-17 student enrollment was 8,263. See "THE DISTRICT."

#### **Security**

The Bonds are general obligations of the District and paid from ad valorem taxes that are levied against all taxable property within the District. Neither the State nor the County has any responsibility to pay the debt service on the Bonds.

#### **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. The June 30, 2016 audited financial statements contained in Appendix B present only a portion of the financial statements. A copy of the entire financial statements of the District is available on the New Mexico Office of the State Auditor's website at [www.saonm.org](http://www.saonm.org).

#### **Plan of Finance**

Proceeds of the Bonds will be used for the purposes of (i) erecting, remodeling, making additions to and furnishing school buildings, purchasing or improving school grounds and purchasing computer software and hardware for student use in public school classrooms, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act (NMSA 1978, §§ 22-24-1 et seq.) or any combination of these purposes; and (ii) paying costs of issuance.

The Bonds represent the first series of a total of \$20 million in bonds authorized by voters at an election held on February 7, 2017.

## Selected Debt Ratios

2017 Preliminary Assessed Valuation <sup>(1)</sup>	\$803,103,642
2017 Preliminary Estimated Actual Valuation <sup>(1,2)</sup>	\$2,781,369,603
District General Obligation Debt Outstanding (Including the "Bonds")	43,400,000
District Net General Obligation Debt	\$42,983,835
District Net Debt as a Percentage of Assessed Valuation	5.35%
Estimated Actual Valuation	1.55%
Estimated Direct & Overlapping G/O Debt	\$49,088,206
Direct & Overlapping Debt as a Percentage of Assessed Valuation	6.11%
Estimated Actual Valuation	1.76%
Estimated Population	42,100
District Net Debt Per Capita	\$1,074.60
Direct & Overlapping Debt Per Capita	\$1,165.99

1) - Preliminary, subject to change.

2) - Actual valuation is computed by adding the exemptions to the assessed valuation and multiplying by three. 2017 exemptions not available. 2016 exemptions used in calculation.

## THE BONDS

New Mexico law enables the District to issue the Bonds including NMSA 1978, Section 6-15-11 through Section 6-15-22, NMSA, 1978. The New Mexico Attorney General will provide a written approving opinion with respect the Bonds.

### General Terms

The Bonds will bear interest at the rates and mature in the amounts and on the dates shown on the 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 go to The Depository Trust Company ("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"**.

### Security for the Bonds

The Bonds are general obligation bonds of the District and are payable from ad valorem taxes which shall be levied against all taxable property within the boundaries of the District without limitation as to rate or amount. The Bonds are additionally secured by the New Mexico Credit Enhancement Program as discussed in more detail under "NEW MEXICO SCHOOL DISTRICT ENHANCEMENT PROGRAM," herein. The District will covenant in the Bond Resolution to levy, in addition to all other taxes, direct annual ad valorem taxes sufficient to pay the principal of and interest on the Bonds. The District may pay the principal of and interest on the Bonds from any funds belonging to the District, which funds may be reimbursed from the ad valorem taxes when the same are collected.

## **Bond Registrar and Paying Agent**

BOKF, N.A., Albuquerque, New Mexico, or its successor, will serve as Paying Agent and Registrar for the Bonds. In the Notice of Sale and Delegation of Authority Resolution ("the Bond Resolution"), the District covenants to provide a Paying Agent/Registrar at all times until the Bonds are paid, and any Paying Agent/Registrar selected by the District shall be a commercial bank, a trust company, a financial institution or any other entity, as provided by State law, duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar. The Registration Books for the Bonds will be maintained by the Paying Agent/Registrar containing the names and addresses of the registered owners of the Bonds. In the Bond Resolution, the District retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, such Paying Agent/Registrar, promptly upon the appointment of a successor, is required to deliver the Registration Books to the successor Paying Agent/Registrar. In the event there is a change in the Paying Agent/Registrar for the Bonds the District has agreed to notify each registered owner of the Bonds affected by the change by United States mail, first-class postage prepaid, at the address in the Registration Books, stating the effective date of the change and the mailing address of the successor Paying Agent/Registrar.

## **Optional Prior Redemption**

The Bonds maturing on or after August 1, 2027 may be redeemed prior to their scheduled maturities on August 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.

## **Record Date**

The Record Date for the Bonds with respect to any interest payment date is the 15th day of the month (whether or not a business day) immediately preceding the interest payment date. The person in whose name any Bond is registered on any Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such interest payment date.

## **Redemption Notices**

Notice of prior redemption shall be given by the Registrar by sending a copy of such notice by registered or certified first-class, postage prepaid mail, not more than 60 days and not less than 30 days prior to the redemption date as shown on the registration books as of the date of selection of the bonds to be redeemed. Failure to give such notice by mailing to the registered owner of any Bond or any defect therein, shall not affect the validity of the proceedings for the redemption of any of the Bonds.

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 and on to the Bond investors will not affect the validity of the Bond redemption or any other action based on the Paying Agent/Registrar's notice. Bond investors 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 below, while DTC is the securities depository for the Bonds, it will be the sole registered owner of the Bonds.

## **Limited Book-Entry Responsibilities**

While a book-entry-only system is used for the Bonds, the Paying Agent/Registrar will send redemption and other notices only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner,



of any notice and its content or effect won't affect the validity of sufficiency of the proceedings relating to the Bond redemption or any other action based on the notice.

The District and the Financial Advisor have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership of interests in the Bonds.

The District and the Financial Advisor cannot and do not give any assurances that DTC will distribute payments to DTC Participants or that DTC Participants or others will distribute payments with respect to the Bonds received by DTC or its nominees as the holder or any redemption notices or other notices to the beneficial holders, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

## SOURCES AND USES OF FUNDS

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

Sources	The Bonds
Par Amount of Bonds	\$5,000,000.00
Net Premium	222,712.75
<b>Total</b>	<b>\$5,222,712.75</b>

Uses	
Project Fund	\$5,000,000.00
Costs of Issuance (other than Underwriter's Discount)	83,250.00
Underwriter's Discount	29,612.50
Debt Service Fund	109,850.25
<b>Total</b>	<b>\$5,222,712.75</b>

## 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 property within the District without limitation 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.

### 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 of interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have 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 Bonds 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 it 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 districts with principal and interest payments that fall 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 (negative outlook).**

By request, Moody's will assign the Aa2 rating to school district bonds upon 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 District to incur general obligation debt extending beyond the fiscal year. The District can incur such debt for the purpose of erecting, remodeling, making additions to and furnishing school buildings, purchasing or improving school grounds, purchase computer software and hardware for student use in public schools, provide matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act 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 District, and a majority of those voting on the question vote in favor of creating the debt. The total indebtedness of the District may not exceed 6% of the assessed valuation of the taxable property within the District as shown by the last preceding general assessment. The 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 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 District.

The 2017 preliminary assessed valuation of taxable property within the District is \$803,103,642, 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 \$48,186,219.

After the Bonds are issued, the ratio of total outstanding general obligation (G/O) debt of the District to the 2017 preliminary assessed valuation will be no greater than 5.35% as summarized below:

2017 Preliminary Assessed Valuation <sup>(1)</sup>	\$803,103,642
2017 Preliminary Estimated Actual Valuation <sup>(2)</sup>	\$2,781,369,603
Bonded Debt	
Current Total Outstanding (Including the "Bonds")	\$43,400,000
Less Debt Service Fund Balance <sup>(3)</sup>	(416,165)
NET DEBT	\$42,983,835
Ratio of Estimated Net Debt to 2017 Preliminary Assessed Valuation:	5.35%
Ratio of Estimated Net Debt to 2017 Preliminary Estimated Actual Valuation:	1.55%
Per Capita Net Bonded Debt:	\$1,074.60
Est. Population:	40,000

*1) - Actual valuation is computed by adding the exemptions to the assessed valuation and multiplying the result by three. 2017 exemptions are not available. 2016 exemptions used in calculation*

*(2) As of 6/30/2017, the debt service cash balance for the Bonds was \$416,165. The amount attributable to principal reduction is 83%. \$145,957 represents the estimated amount after payment of August 1 principal and interest*

### **Authorized But Unissued Bonds**

The District has \$20,000,000 (\$15,000,000 after this proposed financing) of authorized but unissued general obligation bonds from an election held on February 7, 2017.

## 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 Outstanding
2011	8,000,000	8/1/25	4,335,000
2012	9,000,000	8/1/27	6,440,000
2013	5,000,000	8/1/28	4,850,000
2013B	4,900,000	8/1/28	3,925,000
2014A	5,100,000	8/1/29	4,925,000
2014B	955,000	8/1/18	955,000
2015	5,000,000	8/1/30	4,800,000
2016A	5,000,000	8/1/31	4,690,000
2016B	3,515,000	8/1/23	3,480,000
The Bonds	5,000,000	8/1/32	5,000,000
	<b>51,470,000</b>		<b>43,400,000</b>

## 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 on the District's outstanding debt as well as the proposed principal and interest payments on the Bonds.

Year	Current Requirements			Series 2017 Bonds			Total Requirements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	\$2,720,000	\$952,443	\$3,672,443	\$365,000	\$108,723	\$473,723	\$3,085,000	\$1,061,165	\$4,146,165
2019	2,390,000	888,533	3,278,533	235,000	130,350	365,350	2,625,000	1,018,883	3,643,883
2020	2,355,000	828,345	3,183,345	200,000	123,300	323,300	2,555,000	951,645	3,506,645
2021	2,640,000	769,595	3,409,595	100,000	117,300	217,300	2,740,000	886,895	3,626,895
2022	2,965,000	703,015	3,668,015	100,000	114,300	214,300	3,065,000	817,315	3,882,315
2023	3,200,000	628,215	3,828,215	100,000	111,300	211,300	3,300,000	739,515	4,039,515
2024	3,475,000	552,140	4,027,140	100,000	108,300	208,300	3,575,000	660,440	4,235,440
2025	3,715,000	464,328	4,179,328	150,000	105,300	255,300	3,865,000	569,628	4,434,628
2026	3,645,000	370,398	4,015,398	400,000	100,800	500,800	4,045,000	471,198	4,516,198
2027	4,070,000	282,635	4,352,635	400,000	88,800	488,800	4,470,000	371,435	4,841,435
2028	3,425,000	181,925	3,606,925	570,000	79,800	649,800	3,995,000	261,725	4,256,725
2029	2,050,000	92,438	2,142,438	570,000	65,550	635,550	2,620,000	157,988	2,777,988
2030	1,250,000	39,688	1,289,688	570,000	49,875	619,875	1,820,000	89,563	1,909,563
2031	500,000	10,000	510,000	570,000	34,200	604,200	1,070,000	44,200	1,114,200
2032				570,000	17,100	587,100	570,000	17,100	587,100
	<b>\$38,400,000</b>	<b>\$6,763,695</b>	<b>\$45,163,695</b>	<b>\$5,000,000</b>	<b>\$1,354,998</b>	<b>\$6,354,998</b>	<b>\$43,400,000</b>	<b>\$8,118,693</b>	<b>\$51,518,693</b>

## Statement of Estimated Direct and Overlapping Debt

The following is a calculation which is useful to investors in assessing the debt load and per capita debt of the District payable from property taxes. In addition to outstanding debt of the District, the calculation takes into account 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.

	<b>2017 Preliminary Assessed Value <sup>(2)</sup></b>	<b>G/O Debt Outstanding</b>	<b>Percent Applicable</b>	<b>Amount</b>
State of New Mexico <sup>(1)</sup>	\$56,922,567,412	\$403,170,000	1.41%	\$5,688,206
Curry County	896,533,978	-	89.58%	-
City of Clovis	604,970,353	-	100.00%	-
Clovis Community College	803,103,642	-	100.00%	-
Clovis MSD No. 1	803,103,642	43,400,000	100.00%	43,400,000
<b>Total Direct &amp; Overlapping</b>				<b>\$49,088,206</b>

1) Reflects 2016 Assessed Valuation.

2) Preliminary, subject to change.

Ratio of Estimated Direct & Overlapping Debt to 2017 Preliminary Assessed Valuation:	6.11%
Ratio of Direct & Overlapping Debt to 2017 Preliminary Estimated Actual Valuation:	1.76%
Per Capita Direct & Overlapping Debt:	\$1,165.99
Population:	42,100

# 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 property in the District, 33 1/3% is legally subject to ad valorem taxes. After deduction of certain personal exemptions, the 2017 preliminary assessed valuation is \$803,103,642. The actual value of personal property within the District (see "Assessments" below) 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 analysis of Assessed Valuation follows:

	2017*	2016	2015	2014	2013	2012
<b>Assessments</b>						
Value of Land		\$90,054,192	\$87,324,339	\$84,768,911	\$81,227,051	\$76,876,541
Improvements		674,773,332	651,173,907	616,771,005	601,138,360	568,862,608
Personal Property		28,231,361	27,056,461	28,004,444	29,809,040	30,819,711
Mobile Homes		7,391,154	7,373,103	7,309,979	7,183,846	7,040,028
Livestock		26,217,285	23,987,331	20,386,315	19,772,268	23,637,630
<b>Assessor's Total Value</b>	<b>-</b>	<b>826,667,324</b>	<b>796,915,141</b>	<b>757,240,654</b>	<b>739,130,565</b>	<b>707,236,518</b>
<b>Less Exemptions</b>						
Head of Family		6,323,537	6,434,800	6,397,138	6,370,947	6,451,779
Veterans		13,971,237	13,472,582	12,766,199	12,840,960	12,047,267
Other		103,724,785	99,206,782	98,300,516	98,166,757	97,615,492
<b>Total Exemptions</b>	<b>-</b>	<b>124,019,559</b>	<b>119,114,164</b>	<b>117,463,853</b>	<b>117,378,664</b>	<b>116,114,538</b>
<b>Assessors Net Valuation</b>	709,404,806	702,647,765	677,800,977	639,776,801	621,751,901	591,121,980
<b>Centrally Assessed</b>	93,698,836	89,532,688	82,613,921	73,879,544	74,347,123	71,701,509
<b>Total Assessed Valuation</b>	<b>\$803,103,642</b>	<b>792,180,453</b>	<b>\$760,414,898</b>	<b>\$713,656,345</b>	<b>\$696,099,024</b>	<b>\$662,823,489</b>
Residential	\$527,174,231	\$518,966,110	\$503,199,694	\$471,337,133	\$454,979,597	\$420,814,690
Non-Residential	275,929,411	273,214,343	257,125,204	242,319,212	241,119,427	242,008,799
	<b>\$803,103,642</b>	<b>\$792,180,453</b>	<b>\$760,324,898</b>	<b>\$713,656,345</b>	<b>\$696,099,024</b>	<b>\$662,823,489</b>

\*Preliminary. Excludes protested property.

Source: State of New Mexico, Taxation & Revenue Department, Property Division, and Curry County Assessor's Office

## History of Assessed Valuation

Listed below is a 10-year history of assessed valuation for the District compared with the City of Clovis and Curry County.

Tax Year	Clovis MSD #1	City of Clovis	Curry County
2007	\$482,273,491	\$364,709,040	\$546,875,579
2008	526,468,955	398,093,122	594,198,887
2009	556,733,143	422,630,571	626,026,206
2010	581,331,079	450,437,286	650,202,134
2011	629,728,819	497,823,897	698,324,849
2012	662,823,489	515,179,884	736,673,802
2013	696,099,024	545,234,184	775,834,140
2014	713,656,345	561,982,907	795,910,707
2015	760,414,898	581,128,899	850,104,498
2016	792,180,453	600,334,042	887,925,155
2017*	803,103,642	604,970,353	896,533,978

\*Preliminary

Source: Curry County Assessor's Office.

## Major Taxpayers

The ten largest taxpayers in the Clovis School District have a combined Assessed Valuation of \$93,493,333 which represents 12.3% of the 2016 assessed valuation. Property taxes are current for these taxpayers. This table is useful in assessing the concentration risk of the tax base. Information regarding ten largest taxpayers in the District for tax year 2017 are not currently available.

Taxpayer	Business	2016 A.V.	% of District A.V.
BN&SF Railroad	Railway	\$28,301,050	3.7%
Southwestern Public Service	Utility	21,774,974	2.9%
Epcor Water NM Inc.	Utility	9,020,202	1.2%
Farmer's Electric Coop	Utility	6,079,880	0.8%
Plateau	Telephone	6,050,620	0.8%
Rajen Dairy	Dairy	6,014,661	0.8%
Hertiage Dairy	Dairy	4,790,551	0.6%
ENMR	Telephone	4,081,408	0.5%
Walmart	Retail	3,760,284	0.5%
Gas Company of New Mexico	Utility	3,619,703	0.5%
<b>Total</b>		<b>\$93,493,333</b>	<b>12.3%</b>

Source: Curry County Assessor's Office

## 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 the 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. The following table summarizes the tax situation on residential property for 2016-17 Fiscal Year and the previous four years. The District expects no change in the level of its taxes in the foreseeable future but is unable to predict what overlapping entities might do. A high level of taxation may impact the District's ability to repay bonds.

<b>Within 20 Mill Limit for General Purposes</b>					
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
State of New Mexico	0.000	0.000	0.000	0.000	0.000
Curry County	9.062	8.924	8.816	8.875	9.219
City of Clovis	3.300	3.316	3.344	3.371	3.477
Clovis Schools	0.460	0.452	0.447	0.450	0.467
<b>Total</b>	<b>12.822</b>	<b>12.692</b>	<b>12.607</b>	<b>12.696</b>	<b>13.163</b>
<b>Over 20 Mill Limit - Interest, Principal, Judgement, etc.</b>					
State of New Mexico	1.360	1.360	1.360	1.360	1.360
Curry County	0.000	0.000	0.000	0.244	0.726
City of Clovis	0.000	0.000	0.000	0.000	0.000
Clovis Schools	6.917	6.889	6.841	6.873	6.936
Clovis Community College	1.922	1.891	1.867	1.879	1.947
<b>Total</b>	<b>10.199</b>	<b>10.140</b>	<b>10.068</b>	<b>10.356</b>	<b>10.969</b>
<b>Total Levy</b>					
State of New Mexico	1.360	1.360	1.360	1.360	1.360
Curry County	9.062	8.924	8.816	9.119	9.945
City of Clovis	3.300	3.316	3.344	3.371	3.477
Clovis Schools	7.377	7.341	7.288	7.323	7.403
Clovis Community College	1.922	1.891	1.867	1.879	1.947
<b>Total Residential</b>	<b>23.021</b>	<b>22.832</b>	<b>22.675</b>	<b>23.052</b>	<b>24.132</b>
<b>Total Non-Residential</b>	<b>24.041</b>	<b>24.427</b>	<b>24.437</b>	<b>24.700</b>	<b>25.172</b>
Total Residential in Unincorporated County	19.721	19.516	19.331	19.681	20.655
<b>Total Non-Residential in Unincorporated County</b>	<b>20.44</b>	<b>20.702</b>	<b>20.712</b>	<b>20.975</b>	<b>21.447</b>

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



## School Tax Rates

The following table summarizes the historical school tax levies on property within the District since the 2008 tax year (2008-09 fiscal year). In February 2017, voters re-authorized the Public Schools Capital Improvements Act levy ("SB9") for residential property for property tax years 2017 through 2023. .

Tax Year	Operational		Two Mill Levy		Debt Service	Total	
	Resid.	Non-Resid.	Resid.	Non-Resid.		Resid.	Non-Resid.
2008	0.493	0.500	1.974	2.000	4.653	7.120	7.153
2009	0.496	0.500	1.988	2.000	4.950	7.434	7.450
2010	0.486	0.500	1.949	2.000	4.959	7.394	7.459
2011	0.460	0.500	2.000	2.000	4.952	7.412	7.452
2012	0.467	0.500	2.000	2.000	4.936	7.403	7.436
2013	0.450	0.500	1.927	2.000	4.946	7.323	7.446
2014	0.447	0.500	1.914	2.000	4.927	7.288	7.427
2015	0.452	0.500	1.940	2.000	4.949	7.341	7.449
2016	0.460	0.492	1.973	1.968	4.944	7.377	7.404
2017	0.472	0.500	2.000	2.000	4.946	7.418	7.446

Source: 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 property value plus "net new value", as defined by Statute, divided by such prior property tax year's total taxable 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.*

## 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 (the "Statutory Valuation Cap on Residential Increases"). 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.
6. 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 has appealed the case to the New Mexico Supreme Court. 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 65 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.

## Tax Collections

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 they 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 each county treasurer collects taxes are presented below:

Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections <sup>(1)</sup>	Current Collections as a % of Net Levied	Current/Delinquent Tax Collections <sup>(2)</sup>	Current/Delinquent Collections as a % of Net Levied
2016	16/17	\$19,959,462	\$19,227,810	96.33%	\$19,227,810	96.33%
2015	15/16	19,151,388	18,879,298	98.58%	18,947,230	98.93%
2014	14/15	17,823,815	17,585,509	98.66%	17,619,973	98.86%
2013	13/14	17,655,538	17,000,241	96.29%	17,606,384	99.72%
2012	12/13	17,391,706	16,654,670	95.76%	17,347,045	99.74%
2011	11/12	16,545,052	15,908,499	96.15%	16,539,632	99.97%
2010	10/11	15,558,416	14,979,539	96.28%	15,614,782	100.36%
2009	09/10	15,037,632	14,228,179	94.62%	14,955,703	99.46%
2008	08/09	13,865,478	13,269,312	95.70%	13,900,931	100.26%
2007	07/08	12,575,936	11,893,650	94.57%	12,488,201	99.30%

(1) Current collections through June 30 of each year

(2) As of June 2017

Source: Curry 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) days after they are due until the date they are paid. Interest accrues at the rate of 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 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 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, 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 is a political subdivision of the State organized for the purpose of operating and maintaining an education program for school-age children residing within its boundaries.

The District is located in east-central New Mexico, bordering the State of Texas. The District encompasses approximately 462 square miles with an estimated population of 40,000. The District operates 11 elementary schools, 1 early education center, 3 middle schools, 1 freshman campus, 1 family center and 1 senior high school.

### School District Powers

Pursuant to Chapter 22, 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 (the "Secretary") with the advice of the Public Education Commission. The Secretary of the Public Education Department ("PED") 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 of the PED, develops educational policies for the District. The Board employs a superintendent of schools, delegates administrative and supervisory functions to the superintendent, including fixing the salaries of all employees, reviews and approves the annual District budget, has the capacity to sue and be sued, contracts, leases, purchases and sells for the District, acquires and disposes of all property, and adopts regulations pertaining to the administration of all powers or duties of the Board. Members serve without compensation for four-year terms of office in non-partisan elections held every two years on the first Tuesday in February. The District Board Members are:

Paul Cordova, President  
Term expires March 1, 2019

Kyle Snider, Member  
Term expires March 1, 2021

Terry Martin, Vice President & Acting  
Secretary  
Term expires March 1, 2019

Cindy Osburn, Member  
Term expires March 1, 2021

Shawn Hamilton, Member  
Term expires: March 1, 2019

The Superintendent of Schools is selected by and serves at the discretion of the Board. All other staff members are selected by the Superintendent. The current Administrative Staff is:

Jody Balch, Superintendent: Mr. Balch became the Superintendent for Clovis Municipal Schools on July 1, 2014. He served as the District's Deputy Superintendent of Operations since February 2012 and Director of Operations from July 2011 to February 2012. Prior to his position as Director of Operations, Mr. Balch was the principal at Bovina High School in Bovina, Texas. Additionally, Mr. Balch served as principal at Yucca Middle School and Clovis High School prior to retiring in 2009 with 30 years of dedicated service to the children of Clovis. Mr. Balch is a native of Clovis where he and his family reside.

Cindy Martin, Deputy Superintendent of Instruction. Ms. Martin assumed the position of Deputy Superintendent of Instruction in 2009. She has been employed with the District since 1991 serving in various positions including Director of Personnel Services and Director of Instruction. Ms. Martin has also held positions of principal and teacher. Ms. Martin received her Masters of Education from Eastern New Mexico University.

Shawna Russell, Chief Financial Officer: Ms. Russell was promoted to Chief Financial Officer for Clovis Municipal Schools on July 1, 2013. She has worked for the District since 2008 as Supervisor of Accounting Services. Prior to working with

the District, Ms. Russell worked in the finance department at the 9<sup>th</sup> Judicial District Courts and in the Human Resources/Accounting department at First National Bank. She received her Bachelors of Business Administration from Eastern New Mexico University.

### **Insurance**

The New Mexico 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 with the State. The Insurance Authority provides risk related insurance to the District such as 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.

### **Intergovernmental Agreements**

The District has entered into various joint powers agreements with other governmental entities in the State which permit all the governmental entities to jointly provide certain equipment purchases and other services cooperatively.

### **School Property**

In addition to the school buildings and their contents, the District owns over 250 acres of land upon which school buildings and facilities are located, approximately 50 acres of additional vacant property, the District Administration Building, a maintenance facility, Student Support Center and transportation facility, an instructional materials warehouse and numerous vehicles and activity buses. The District also contracts buses which are used only to transport students to and from school. The appraised value of all school facilities and equipment is estimated to be over \$150 million.

Currently, the District operates and maintains a variety of facilities in meeting its obligation to provide an educational program for the school-age children residing within its boundaries. In addition to the regular educational program of grades pre-kindergarten through 12, the District offers an alternative high school for students experiencing difficulty in regular high school activities, vocational programs in agriculture, family and consumer science, horticulture, drafting, woodworking and technology. The District offers Special Education Services, Title I remedial education and bilingual education.

### **Student Enrollment**

The 5-year history of student enrollment follows:

<b>School Year</b>	<b>Enrollment</b>	<b>YoY % Change</b>
2012-13	8,543	-0.52%
2013-14	8,466	-0.90%
2014-15	8,312	-1.82%
2015-16	8,294	-0.22%
2016-17	8,263	-0.37%

### **Accreditation**

The Clovis Municipal Schools, as a whole, is accredited by the New Mexico PED. The District is subject to periodic monitoring by the PED to ensure continued compliance with accreditation standards. The Clovis High School was accredited by AdvancED in March 2013 for a period of five years. The District is currently working through the accreditation process.

## 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.

### Recent Legislative Action

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 \$884,506. 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 \$43,727, and the instructional material appropriation by \$201,482. The total reduction to District's 2016-2017 operational budget was \$1,129,715. The reductions in State appropriations were largely absorbed by using a contingency set aside for this type of occurrence of \$1 million created by cost cutting measures planned during the budget development cycle, and additional cost cutting measures mid-year.

Additionally, the New Mexico State Legislature met in its 2017 regular session in January. Early in the session, SB114 enacted a reduction to school district cash balances of \$46 million (which was transferred to the State) of which \$1,153,184 came from the District's balances. Actual reduction to the District's general fund cash balances was \$1,153,184 with the remainder coming from cost cutting measures. The Governor vetoed over \$3 billion from the General Appropriations Act, including over \$700 million in general fund appropriations, none of which affected public education operational funding. These actions led to a special legislative session being held in late May that ultimately reversed these vetoes and used state capital funding to balance the budget. The District's administration had initially planned for a 3% reduction in SEG, but changed direction when the Public Education Department announced an increase in SEG of 0.3%. Ultimately, the decision was made to build the District's budget based on flat revenue, allowing the District's administration to set aside \$2,500,000 in operational funds as a contingency in case of further reductions.

See "LITIGATION" for a discussion of current litigation that could impact the funding of education in the State.

### 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 by the PED.

- Pursuant to instruction by the PED, the District must submit an operating budget for the next school year to the PED. If the District fails to submit a budget, the PED must prepare a District budget for the ensuing year. Upon written approval of the state superintendent [secretary], the date for the submission of the operating budget may be extended to a later date fixed by the state superintendent (Section 22-8-6).
- Before May 31 of each year, the District Board must hold a public hearing to fix the estimated budget for the next school year.
- Before June 20 of each year, the District must submit a balanced budget to the PED.
- On or before July 1 of each year, the 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 the 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 the PED except upon the District's request to the 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, the 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 the PED. As a result, budgets are not prepared in conformity with generally accepted accounting principles (GAAP), and budgetary comparisons are presented on the cash basis of accounting.

### **Sources of Revenue for General Fund**

The General Fund is the primary operating fund of the District, and accounts for all financial resources, except those required to be accounted for in other funds. The sources of revenue for the District's General Fund are:

Local Revenues - Local revenues are a minor source of revenue to the District composed, in part, by a property tax annually levied on and against all of the taxable 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 property. Other sources of local revenues include interest income earned on the District's investments, rentals and sale of property. In the fiscal year 2015-16 the District received \$699,673 from local sources.

Federal Revenues - Another minor 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 2015-16, the District received \$269,134 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 2015-16, the District received \$60,947,097 from state sources. Such payments represented approximately 98% of actual fiscal year 2015-16 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 an 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 costs 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 July 1 of the previous fiscal year through May 31 of the fiscal year for which the State distribution 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 two 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 previous five fiscal years are as follows:

Year	Program	
	Unit Factor	Amount
2012-2013	3,668.18	54,802,366
2013-2014	3,817.55	55,103,971
2014-2015	4,005.75	57,103,881
2015-2016	4,027.75	58,239,163
2016-2017	3,979.63	56,634,122

*Source: New Mexico Public Education Department.*

The New Mexico PED receives federal material leasing funds from which it makes annual allocations to the school district for the purchase of educational materials. In 2015-16, the District received \$922,704 credit for instructional materials.

The District also receives student transportation distributions. These payments are based upon a formula consisting of the number of students per square mile that are transported. In 2015-16 the District received \$1,861,596 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 the PED. If the District fails to submit a budget, the PED must prepare a District budget for the ensuing year.
- Before June 20 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, the 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 the 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 the PED except upon the District's request to the 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, the 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 with 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 the 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.

## Statement of Net Position

The presentation of the GASB-34 financial statements is presented below. For a more detailed explanation of the District's basic financial statements, statement reconciliation, and Management's Discussion and Analysis, please contact the District's Finance Director.

	STATEMENT OF NET POSITION				
<i>Year ending June 30</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities					
<b>ASSETS</b>					
Cash, cash equivalents & investments	\$13,140,994	\$16,388,737	\$26,219,186	\$29,863,655	\$27,806,798
Receivable, property taxes	3,743,767	5,062,597	2,534,955	1,228,648	2,140,112
Inventory	510,116	528,431	805,606	648,715	532,216
Total current assets	17,394,877	21,979,765	29,559,747	31,741,018	30,479,126
Non-current:					
Capital assets (net accumulated depreciation)	-	-	-	151,926,201	151,396,321
Land & land improvements	12,941,153	13,284,768	13,335,416	-	-
Construction in progress	33,523,320	69,028,680	2,308,535	-	-
Buildings & building improvements	85,893,552	86,507,190	159,248,623	-	-
Furniture, fixtures & equipment	18,126,442	19,713,804	19,174,882	-	-
Less accumulated depreciation	(50,628,841)	(53,350,064)	(57,307,278)	-	-
Bond issuance costs	85,510	-	-	-	-
	117,336,013	157,164,143	166,319,925	183,667,219	181,875,447
Deferred Outflows of Resources					
Pension Liability:					
Contributions to pension subsequent to measurement date	-	-	-	5,695,136	5,726,329
Change in assumptions	-	-	-	434,687	3,211,284
Total deferred outflows of resources	-	-	-	6,129,823	8,937,613
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 117,336,013</b>	<b>\$ 157,164,143</b>	<b>\$ 166,319,925</b>	<b>\$ 189,797,042</b>	<b>\$ 190,813,060</b>
<b>LIABILITIES AND NET POSITION</b>					
Accounts payable & accrued expenses	\$2,262,108	\$1,733,491	\$2,158,095	\$1,999,013	\$1,448,128
Due within one year - compensated absences	-	-	-	273,777	296,309
Due within one year - debt	-	-	-	2,590,000	2,665,000
Total current liabilities	\$ 2,262,108	\$ 1,733,491	\$ 2,158,095	\$ 4,862,790	\$ 4,409,437
Total deferred inflows of resources	\$ -	\$ -	\$ -	\$8,825,472	\$2,865,515
Deferred revenue	180,095	117,631	425,334	-	-
Noncurrent liabilities					
Compensated absences	270,213	254,915	231,465	19,889	-
Due within one year	2,397,348	2,486,092	3,255,338	-	-
Net Pension Liability	-	-	-	83,415,477	93,363,964
Due in more than one year	18,233,834	29,724,067	36,434,852	38,795,000	36,130,000
Total Liabilities	\$23,343,598	\$34,316,196	\$42,505,084	\$127,093,156	\$133,903,401
Invested in capital assets, net of related debt	\$79,309,954	\$103,037,948	\$97,119,840	\$110,541,201	\$112,601,321
Net Position					
Restricted for:					
Debt service	3,834,279	3,871,849	3,697,602	3,207,484	3,251,300
Capital projects	742,900	2,752,145	10,037,850	11,715,567	9,237,598
Other	-	-	3,292,190	3,806,743	4,056,596
Unrestricted	10,105,282	13,186,005	9,667,359	(75,392,581)	(75,102,671)
Total Net Position	\$93,992,415	\$122,847,947	\$123,814,841	\$53,878,414	\$54,044,144
<b>TOTAL NET POSITION &amp; LIABILITIES</b>	<b>\$117,336,013</b>	<b>\$157,164,143</b>	<b>\$166,319,925</b>	<b>\$189,797,042</b>	<b>\$190,813,060</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 the year ended June 30, 2016 is attached as Appendix B.

## Statement of Activities

The presentation of the GASB-34 financial statements is presented below. For a more detailed explanation of the District's basic financial statements, statement reconciliation, and Management's Discussion and Analysis, please contact the District's Finance Director.

	STATEMENT OF ACTIVITIES				
<i>Year ending June 30</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>EXPENSES:</u></b>					
Governmental activities					
Direct Instruction	(30,211,778)	(30,492,309)	(34,787,882)	(36,563,905)	(38,327,824)
Support Services - Students	(7,263,079)	(6,845,001)	(5,607,005)	(5,298,540)	(5,670,559)
Support Services - Instruction	(1,773,211)	(1,847,571)	(2,424,514)	(3,652,670)	(3,832,887)
Support Services - School Administration	(3,652,603)	(3,927,497)	(3,959,495)	(1,002,935)	(1,021,947)
Support Services - General Administration	(1,045,473)	(1,065,136)	(1,012,558)	(3,954,787)	(3,938,584)
Central Services	(1,789,260)	(1,814,198)	(1,752,452)	(1,859,309)	(1,931,835)
Operation & Maintenance of Plant	(6,836,700)	14,847,863	(4,179,196)	7,591,205	(6,489,217)
Student Transportation	(143,831)	8,419	-	(7,113)	(81,013)
Other Support Services	(54,907)	(115,810)	(143,356)	(175,863)	(8,313)
Food Services	825,463	1,000,668	506,086	(1,373,229)	(1,321,885)
Community Services	(75,000)	(34,975)	(51,479)	(29,014)	(43,232)
Facilities acquisition & construction	-	-	-	-	-
Interest on long-term debt	(654,135)	(745,684)	(819,826)	(974,966)	(1,033,255)
Depreciation	14,697,350	(41,876)	(3,994,260)	-	-
Unallocated	-	-	-	-	-
Total governmental activities	<u>(\$37,977,164)</u>	<u>(\$31,073,107)</u>	<u>(\$58,225,937)</u>	<u>(\$47,301,126)</u>	<u>(\$63,700,551)</u>
<b><u>REVENUES:</u></b>					
General revenues					
State equalization guarantee	52,602,174	54,348,778	55,923,662	57,559,253	58,499,279
Property taxes for general purposes	301,148	309,029	333,699	343,076	382,613
Property taxes for capital projects	1,269,222	1,290,147	1,393,619	1,434,373	1,601,899
Property taxes for debt service	3,143,140	3,184,366	3,526,490	3,635,825	4,044,804
Unrestricted investment earnings	39,945	405,391	15,329	45,543	109,070
Gain on sale of fixed assets	-	-	133,457	-	-
Miscellaneous Income	272,095	389,034	55,334	359,562	168,333
Loss on disposal of capital assets	-	-	-	(132,562)	(939,717)
Change in estimate	-	-	-	-	-
Total general revenues	<u>57,627,724</u>	<u>59,926,745</u>	<u>61,381,590</u>	<u>63,245,070</u>	<u>63,866,281</u>
Changes in net assets	<u>19,650,560</u>	<u>28,853,638</u>	<u>3,155,653</u>	<u>15,943,944</u>	<u>165,730</u>
Net assets, beginning	<u>\$ 74,341,855</u>	<u>\$ 93,994,309</u>	<u>\$ 120,659,188</u>	<u>\$ 123,814,841</u>	<u>\$ 53,878,414</u>
Prior period restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85,880,371) *</u>	<u>-</u>
Net position, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,934,470</u>	<u>-</u>
Net assets, ending	<u>\$ 93,992,415</u>	<u>\$ 122,847,947</u>	<u>\$ 123,814,841</u>	<u>\$ 53,878,414</u>	<u>\$ 54,044,144</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 the year ended June 30, 2016 is attached as Appendix B.

\* During the fiscal year ended June 30, 2015, the District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and the related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date an Amendment of GASB Statement No. 68 by recognizing its net pension liability related to its pension plan. See "Employee Retirement Plan and Other Post-Employment Benefits" herein.

## Balance Sheet – General Fund

Listed below is the Balance Sheet (General Fund). The General Fund includes the following funds: Operational, Transportation and Instructional Materials.

	BALANCE SHEET - GENERAL FUND <sup>(1)</sup>				
<i>Year Ending June 30</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Assets:</b>					
Cash & investments	\$5,498,573	\$5,803,947	\$8,774,039	\$10,243,138	\$10,866,169
Receivables	16,083	18,168	18,162	18,288	37,343
Due from Other Funds	3,269,998	3,726,636	1,107,248	842,855	1,472,829
Due from Other Governments	20,645	79,447	-	5,453	-
Inventory	<u>476,273</u>	<u>485,360</u>	<u>419,626</u>	<u>396,047</u>	<u>274,970</u>
TOTAL	\$9,281,572	\$10,113,558	\$10,319,075	\$11,505,781	\$12,651,311
<b>Liabilities:</b>					
Accounts Payable	126,197	96,785	42,646	104,952	19,615
Accrued Liabilities	1,187,394	775,762	874,844	813,205	844,723
Delinquent property taxes	-	-	10,969	11,578	29,969
Deferred Revenues	<u>6,825</u>	<u>7,591</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	1,320,416	880,138	928,459	929,735	894,307
<b>Fund Equity:</b>					
Reserved for inventory	476,273	485,360	419,626	396,047	274,970
Reserved for unused textbook credit	-	-	-	-	750,119
Restricted	-	-	-	1,085,732	-
Designated for subsequent year expenses	5,759,546	778,098	798,425	-	-
Undesignated	<u>1,725,337</u>	<u>7,969,962</u>	<u>8,172,565</u>	<u>9,094,267</u>	<u>10,731,915</u>
TOTAL	7,961,156	9,233,420	9,390,616	10,576,046	11,757,004
<b>Total Liabilities and Fund Equity</b>	<b>\$9,281,572</b>	<b>\$10,113,558</b>	<b>\$10,319,075</b>	<b>\$11,505,781</b>	<b>\$12,651,311</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. A portion of the independent audit report for the year ended June 30, 2016 is attached as Appendix B.

## Statement of Revenues, Expenditures & Changes in Fund Balances

Listed below is the Statement of Revenues, Expenditures and Changes in Fund Balances (General Fund). The General Fund includes the following funds: Operational, Transportation and Instructional Materials.

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GENERAL FUND <sup>(1)</sup>

<i>Year Ending June 30</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues:</b>					
Local Sources	\$302,580	\$315,854	\$329,256	\$338,040	\$352,644
State Sources	54,089,777	56,553,436	57,697,345	59,485,574	60,947,097
Federal Sources	408,452	326,444	280,043	287,993	269,134
Interest	19,694	12,563	9,128	33,905	8,250
Miscellaneous	<u>83,732</u>	<u>113,144</u>	<u>188,791</u>	<u>191,646</u>	<u>338,779</u>
<i>Total</i>	\$54,904,235	\$57,321,441	\$58,504,563	\$60,337,158	\$61,915,904
<b>Expenditures:</b>					
Instruction	\$34,168,859	\$35,490,712	\$36,056,990	\$36,650,368	\$37,347,385
Support Services - Students	5,068,942	5,344,764	6,070,076	5,966,387	6,147,950
Support Services - Instruction	1,398,806	1,503,786	1,985,168	1,476,284	1,932,039
Support Services - School Administration	3,212,246	3,469,889	3,582,722	3,636,171	3,685,563
Support Services - General Administration	620,570	660,685	630,031	619,400	628,142
Central Services	1,676,996	1,732,651	1,645,269	1,737,745	1,809,054
Operation & Maintenance of Plant	7,028,615	7,109,282	7,207,139	7,546,061	7,313,719
Student Transportation	1,115,467	1,099,977	1,276,617	1,342,104	1,863,784
Other Support Services	54,907	115,810	143,355	175,536	-
Capital Outlay	50,000	21,621	-	-	-
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total</i>	\$54,395,408	\$56,549,177	\$58,597,367	\$59,150,056	\$60,727,636
<b>Excess revenues over expenditures</b>	\$508,827	\$772,264	(\$92,804)	\$1,187,102	\$1,188,268
Fund Balance Beginning of Year	7,452,329	7,961,156	9,233,420	9,390,616	10,576,046
Transfers/Refunds/Adjustments	<u>-</u>	<u>500,000</u>	<u>250,000</u>	<u>(1,672)</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<b>\$7,961,156</b>	<b>\$9,233,420</b>	<b>\$9,390,616</b>	<b>\$10,576,046</b>	<b>\$11,764,314</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.

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

## **Other Funds Maintained by the District**

### Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

### Debt Service Funds

Debt service funds are used to account for the services of long-term debt not being financed by proprietary or nonexpendable trust funds.

### Capital Projects Funds

Capital projects funds are used to account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

### Agency Funds

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 modified accrual basis of accounting. These funds are used to account for assets that the District hold for others in an agency capacity.

## **Employee and Retirement Plan and Other Post Employment Benefits**

The District employs 39 administrators, approximately 559 teachers, 60 related service providers, 159 educational assistants, 11 technology personnel, 81 administrative and clerical personnel, 90 maintenance and custodial personnel, and 63 cafeteria employees.

In addition to the following discussion, Notes 11 and 12 of the District's June 30, 2016 Audited Financial Statements attached hereto as Appendix B provides additional information regarding the District's pension and other post-employment benefit plans.

### ERB Pension Plan:

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

### 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, 2014 employers contributed 13.15% 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 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$5,726,329 for the year ended June 30, 2016.

### Pension Liabilities:

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 \$93,363,964 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, the District's proportion was 1.44141%; 1.46196% was its proportion measured as of June 30, 2014. For the year ended June 30, 2016, the District recognized pension expense of \$6,907,371.

On June 25, 2012, the Governmental Accounting Standards Board approved Statement No. 68 which addresses accounting and financial reporting for pensions that are provided to employees of state and local government employers through pension plans that are administered through trusts and also establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. According to Statement No. 68, the School District, as a contributor to ERB, is required to recognize its proportionate share of the collective net pension liability, pension expense, and deferred inflows or outflows of resources of the cost-sharing, multi-employer plan with ERB.

In July 2012, the ERB adopted goals of achieving 95%, plus or minus 5% funded ratio by the year 2042. To achieve this goal, the New Mexico Legislature amended the Educational Retirement Act in the 2013 legislative session (Senate Bill 115; Chapter 61, Laws 2013). The amendments increased employee contributions for members whose salary exceeds \$20,000 per year to 10.1% in Fiscal Year 2014 and 10.7% in Fiscal Year 2015 (ERB members who make less than \$20,000 contribute 7.9% of their gross salary). The legislation also kept in place scheduled increases in employer contribution rates, created a new tier membership for persons who become members of the ERB Fund on or after July 1, 2013, created certain actuarial limitations on benefits of new tier members, placed limitations on future cost of living adjustments ("COLA") for current and future retirees which are tied to the future funded ratios of the Fund, and made certain other clarifying and technical changes.

In December 2013, the New Mexico Supreme Court in *Barlett v. Cameron*, 316 P.3d 889 (N.M. 2013), rejected the claims of certain retired teachers, professors and other public education employees challenging the state constitutionality of Senate Bill 115 to the extent that it reduces the future amounts that all education retirees might receive as annual COLA. The Court held that Article XX, Section 22 of the New Mexico Constitution did not grant the retirees a right to an annual COLA based on the formula in effect on the date of their retirement for the entirety of their retirement. The Court held that in the absence of any contrary indication from the New Mexico Legislature, any future COLA to a retirement benefit is merely a year-to-year expectation that, until paid, does not create a property right under the New Mexico Constitution. Once paid, the COLA, by statute, becomes part of the retirement benefit, and a property right subject to those constitutional protections.

### Pension Plan Statistics

Following is a 5-year history of employer and employee contributions statewide, and average asset balance of the fund:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Employer</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Net Assets Held</u> <u>in Trust</u>
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	292,822,396	11,497,723,115
2016	396,988,557	293,847,970	11,532,837,951

*Source: New Mexico Educational Retirement Board, Financial Report.*

### Post Employment Benefits

The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) (the "RHCA") issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post-employment 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 RHCA 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 RHCA 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 plan 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, 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 \$873,672, \$819,594 and \$805,966 respectively, which equal the required contributions for each year.

The District believes it does not have any liability should the plan be underfunded. In the future, the District's on-going contribution percentage may be increased.



## TAX EXEMPTION

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under present federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code") and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code under present federal income tax laws except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. Bond Counsel is further of the opinion that, assuming continuous compliance with certain covenants, interest on the Bonds is exempt from taxation by the State of New Mexico or any subdivision thereof. Bond Counsel expresses no opinion regarding other federal income tax consequences relating to the accrual or receipt of interest on the Bonds. A form of the opinion of Bond Counsel is attached to this Official Statement as Appendix C.

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.

## FINANCIAL INSTITUTION INTEREST DEDUCTION

The Tax Code generally provides that a financial institution may not deduct that portion of its interest expense which is allocable to tax-exempt interest. The interest expense which is allocable to tax-exempt interest is an amount which bears the same ratio to the institution's interest expense as the institution's average adjusted basis of tax-exempt obligations acquired after August 7, 1986 bears to the average adjusted basis of all assets of the institution. Tax exempt obligations may be treated as if issued prior to August 7, 1986 (and therefore are not subject to this rule) if they are "qualified tax-exempt obligations" as defined in the Code and are designated for this purpose by the issuer. The District has designated the Bonds as "qualified tax-exempt obligations" for this purpose; however, under provisions of the Code dealing with financial institution preference items, certain financial institutions, including banks, are denied 20 percent of their otherwise allowable deduction for interest expense with respect to obligations incurred or continued to purchase or carry the Bonds. In general, interest expense with respect to obligations incurred or continued to purchase or carry the Bonds will be in an amount which bears the same ratio as the institution's average adjusted basis in the Bonds bears to the average adjusted basis of all assets of the institution.

## ORIGINAL ISSUE PREMIUM

The Bonds 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.

## LITIGATION

There is no litigation pending about the validity of the Bonds or the use of Bond proceeds, the corporate existence of the District or the titles of their 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.

## RATING

Moody's Investors Service has assigned the Bonds a rating of "Aa2" with the understanding that the Bonds will qualify under the New Mexico School District Enhancement Program. See "New Mexico School District Enhancement Program" herein. The underlying rating on the Bonds is "Aa3". 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 the rating will be obtained or will continue for any given period of time after received or that the rating 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 rating may have effect on the market price of the Bond.

## THE FINANCIAL ADVISOR

The District 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 Preliminary 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.

## 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 successful bidder at no cost to the successful bidder. The written approval of the New Mexico Attorney General of the Bonds as to form and legality will be supplied. A draft of the opinion of Bond Counsel is attached hereto as Appendix C.

## 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 (the "MSRB") MSRB's Electronic Municipal Market Access ("EMMA"), its audited financial statements and certain financial and operating information and notices of certain enumerated events. 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," "FINANCES OF THE EDUCATIONAL PROGRAM-State Equalization Guarantee," "Statement of Net Position", "Statement of Activities", "Balance Sheet-General Fund" and "Statement of Revenues & Expenditures & Changes in Fund Balances – General Fund." The District will update and provide this information no later than March 31 of each year, commencing March 31, 2018, for the fiscal year ending on the preceding June 30. A draft of the Continuing Disclosure Undertaking is attached hereto as Appendix D.

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, unaudited financial statements must be provided as part of the annual financial information, 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 delinquencies; 2) non-payment related defaults, if material; 3) unscheduled draws on debt service reserves reflecting financial difficulties; 4) unscheduled draws on credit enhancements reflecting financial difficulties; 5) substitution of credit or liquidity providers, or their failure to perform; 6) 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; 7) modifications to rights of security holders, if material; 8) bond calls, if material, and tender offers; 9) defeasances; 10) release, substitution or sale of property securing repayment of the securities, if material; 11) rating changes; 12) bankruptcy, insolvency, receivership or similar event with respect to the District or an obligated person; 13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement

to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and 14) appointment of a successor or additional trustee, or the change of name of a trustee, if material.

### **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 thereto, 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.

For fiscal year 2013, the annual operating data was inadvertently left out when the audited financial statements for fiscal year 2013 were filed on EMMA in March 2014. The annual operating data (Official Statement by reference) was subsequently filed on EMMA on April 24, 2015. Aside from the aforementioned, for the past five years, the District has complied in all material respects with its existing continuing disclosure agreements in accordance with SEC Rule 15c2-12. The District has retained an independent dissemination agent to assist in meeting its disclosure requirements.

## **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.

## **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/ Paul Cordova  
President, Board of Education

/s/ Terry Martin  
Acting Secretary, Board of Education

## APPENDIX A

### ECONOMIC & DEMOGRAPHIC INFORMATION

## THE ECONOMY

### General

Clovis Municipal School District No. 1 (2010 est. population 40,000) is located on the High Plains in eastern New Mexico. The stable economy is not dependent on any single industry for support. Agriculture is important to the District as well as transportation, defense, manufacturing, retail trade and government.

The climate is quite delightful. Outdoor activities may be enjoyed during all seasons of the year. The annual average temperature is 62 degrees with an average humidity of 58% year round. The region averages 335 days of sunshine and about 17 1/2 inches of rainfall per year.

Transportation is provided through a modern highway system which includes US Highways 60, 70 and 84 and New Mexico Highways 18, 423 and 77. The Atchison, Topeka and Santa Fe railway also operates a major switching facility at its Clovis railroad yard. Air transportation is also available through the Clovis Municipal Airport where Mesa Air operates daily flights to and from Albuquerque, New Mexico.

***The City of Clovis*** "Cattle Capitol of the Southwest" is the County Seat of Curry County. Founded in 1907 and incorporated in 1909, the City operates under a home rule charter adopted in 1971. Eight commissioners, two each from four Districts, are elected for four year staggered terms, at a non-partisan election every two years. The Mayor is elected at large for a four-year term. The City Commission appoints a City Manager who acts as Chief Administrative Officer of the City.

Located at an elevation of approximately 4,280 feet, the City is approximately 105 miles from Amarillo, Texas; 100 miles from Lubbock, Texas; and 220 miles from Albuquerque, New Mexico. Clovis is the largest city in the region and the retail trade headquarters with an economic base of over \$500 million annually.

***Curry County, New Mexico*** was created in 1909 by the New Mexico legislature. The County operates under a commissioner form of government and provides the following services: public safety, county road maintenance, recreation, education, public facility improvements and general administrative services. The County encompasses 1,404 square miles and includes the incorporated communities of Clovis, Grady, Melrose and Texico.

***Cannon Air Force Base***, is named in honor of General John K. Cannon, a former commander of the Tactical Air Command and is located six miles west of Clovis and is 4,295 feet above sea level. The history of the base began in the late 1920s, when a civilian passenger facility, Portair Field, was established on the site.

Since then until present time, Cannon has had a rich history of different missions.

On May 13, 2005, Cannon AFB was placed on the DoD BRAC list for closure. A BRAC Commission public hearing was held in an effort to get Cannon AFB off the list.

On August 26, 2005, the BRAC recommended that Cannon AFB be placed in an enclave status until Dec.31, 2009. Finding a new mission for Cannon was a top priority for the Air Force. Local and public officials worked diligently to insure Cannon's assets were fully utilized.

On October 1, 2007, a new era began at Cannon AFB as the new Special Operations Wing ("SOW") activated as the 27<sup>th</sup> SOW, a new component of Air Force Special Operations Command ("AFSOC").

On June 18, 2010, the CV-22 Osprey made its official arrival to Cannon AFB. A total of 15 Ospreys are planned for Cannon AFB. The CV-22 Osprey is a tiltrotor aircraft that combines the vertical takeoff, hover and vertical landing qualities of a helicopter with the long-range, fuel efficiency and speed characteristics of a turboprop aircraft. Its mission is to conduct long-range infiltration, exfiltration and resupply missions for special operations forces.

Currently, 4,484 active-duty members, 5,625 family members and 657 permanent party contractors make up the work force at Cannon Air Force Base.

Clovis and Cannon have an enviable base/town relationship. The Committee of Fifty is part of the Clovis/Curry County of Chamber and is a group of people that have a world-renowned reputation for their support of Cannon AFB personnel and their families. They, along with the whole community of Clovis look forward to welcoming the 27<sup>th</sup> Special Operations Wing, their personnel and their families.

## Education

***Clovis Community College*** is a two-year comprehensive community college established in 1991. The College offers a variety of academic and vocational instructional programs; student services; community services; developmental education; and social, recreational and cultural enrichment. The current student population is over 4,100.

***Eastern New Mexico University*** is located 18 miles from Clovis in Portales, New Mexico. It is a fully accredited co-educational university offering undergraduate, graduate and professional degree-granting programs. The University, a land grant institution of the State of New Mexico, which was founded in 1927, maintains educational facilities on a main campus and has one branch campuses. The Portales campus has an enrollment of over 5,900 students.

## Agriculture

The District is situated in the center of an extensive farming and ranching region. Wheat, sorghum, corn, sugar beets, alfalfa, barley, soybeans and potatoes grow well in the region's many dry land farms. Dairy cattle are present in the area, making dairy production another major contributor to the local economy. In 2014, Curry County accounted for 18.5% of cash receipts for all farm commodities within the State of New Mexico, making it the second largest agricultural center in the State.

Year	Crops	Livestock	Total Agriculture
2014	\$57,734	\$678,867	\$736,601
2013	47,627	617,424	665,051
2012	43,674	489,950	533,624
2011	66,677	548,126	614,803
2010	66,491	475,333	541,824
2009	53,337	417,901	471,238
2008	65,210	489,122	554,332
2007	65,285	439,099	504,384
2006	44,605	358,671	403,276
2005	49,491	333,044	382,535

Source: 2014 New Mexico Agricultural Statistics

## Population

The following chart sets forth historical and current population data for the City of Clovis, Curry County and the State.

US Census Year	City of Clovis	Curry County	State of New Mexico
1970	28,495	39,517	1,017,055
1980	31,194	42,019	1,303,143
1990	30,954	42,207	1,515,069
2000	32,667	45,044	1,826,280
2010	37,775	48,376	2,065,826
2017 <sup>(1)</sup>	39,480	50,299	2,087,058
2022 <sup>(1)</sup>	40,399	50,394	2,110,892
<i>Projected Growth 2017-2022<sup>(2)</sup></i>	<i>2.27%</i>	<i>0.19%</i>	<i>1.13%</i>

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

*1) Estimates. Source: Spotlight, 2017.*

*2) Projected. Source: Spotlight, 2017.*

## Age Distribution

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

Age Group	Percent of Population		
	Curry County	New Mexico	United States
0 - 17	27.6%	23.90%	22.80%
18 - 24	11.9%	9.80%	9.80%
25 - 34	16.3%	13.30%	13.40%
35 - 44	11.8%	11.87%	12.60%
45 - 54	10.6%	11.90%	13.10%
55 and Older	21.8%	29.23%	28.30%

*Source: Spotlight, 2017.*



## 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	Curry County	New Mexico	United States
Under \$25,000	29.55%	27.90%	21.90%
\$25,000 - \$34,999	12.15%	10.80%	9.70%
\$35,000 - \$49,999	14.14%	14.10%	13.20%
\$50,000 - \$74,999	15.59%	16.60%	17.40%
\$75,000 and over	28.5700%	30.60%	37.80%
2013 Est. Median Household Income	\$40,745	\$43,273	\$49,297
2014 Est. Median Household Income	\$44,310	\$44,292	\$51,579
2015 Est. Median Household Income	\$44,102	\$45,633	\$53,706
2016 Est. Median Household Income	\$43,183	\$45,445	\$55,551
2017 Est. Median Household Income	\$43,262	\$47,043	\$57,462

Source: *Spotlight*, 2017

## Gross Receipts

The following table shows the total reported gross receipts generated in the City of Clovis, Curry County and the State of New Mexico. For the purposes of this table, gross receipts means the total amount of money received from selling property in the State of New Mexico, from leasing property in the State and from performing services in the State. Gross receipts includes, among other things, food sales and services such as legal and medical services.

FYE 6/30	Total Gross Receipts Reported in City of Clovis	Total Gross Receipts Reported in Curry County	Total Gross Receipts Reported in New Mexico
2007	986,237,687	2,230,686,359	103,740,330,414
2008	1,066,111,080	1,423,195,760	110,710,199,751
2009	1,110,592,820	1,470,698,703	104,562,006,074
2010	1,071,410,263	1,391,491,727	94,722,576,401
2011	1,213,573,081	1,726,857,298	102,715,750,442
2012	1,328,667,915	2,418,965,409	104,221,140,556
2013	1,274,301,464	2,504,997,335	106,300,014,072
2014	1,274,689,564	2,564,604,365	107,584,699,939
2015	1,450,654,310	2,610,389,667	119,726,977,705
2016	1,444,748,247	2,932,108,254	97,151,637,471

Source: *NM Taxation & Revenue Department*

## Employment & Major Employers

The following table, derived from information supplied by New Mexico Workforce Solutions, presents information on employment within Curry 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>	Curry County		State of New Mexico		United States
	Labor Force	% Unemployed	Labor Force	% Unemployed	% Unemployed
2017	21,850	5.13%	930,766	6.56%	4.56%
2016	21,865	4.30%	915,803	6.20%	4.90%
2015	21,751	4.90%	919,889	6.60%	5.30%
2014	21,678	5.10%	918,206	6.50%	6.20%
2013	21,450	5.10%	922,960	6.90%	7.40%
2012	21,722	4.90%	928,050	7.10%	8.10%
2011	21,546	5.10%	929,862	7.60%	8.90%
2010	21,579	5.40%	936,088	8.10%	9.60%
2009	21,360	4.50%	940,352	7.50%	9.30%
2008	21,017	3.20%	944,548	4.50%	5.80%
2007	20,964	2.80%	934,027	3.80%	4.60%

1) - Numbers are annual averages.

2) - Through June 2017. Average of first five months.

Source: New Mexico Department of Workforce Solutions.

Major Employers - Curry County	
Cannon AFB Active Duty, Contractors & Civillian Personnel	9,858
Allsup's Convenience Stores	3,000
Clovis Municipal Schools	1,100
Community Homecare	700
Plains Regional Medical Center	563
Burlington Northern Santa Fe Railway	459
Eastern New Mexico University	460
Wal Mart Store #821	420
City of Clovis	433
Southwest Cheese, LLC	365

Source: Clovis Industrial Development Corporation, July 2017

## Covered Wage and Salary Employment by NAICS Code Classification

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

	2011	2012	2013	2014	2015 <sup>(1)</sup>
Grand Total	16,748	16,872	16,813	17,024	17,375
Total Private	13,316	13,491	13,473	13,710	13,965
Accommodation and Food Services	1,782	1,598	1,741	1,767	1,743
Administrative and Waste Services	555	576	475	508	526
Agriculture, Forestry, Fishing & Hunting	1,486	1,502	1,421	1,441	1,531
Arts, Entertainment, and Recreation	34	48	55	46	44
Construction	876	884	877	839	802
Educational Services	12	12	12	13	16
Finance and Insurance	432	447	435	432	433
Health Care and Social Assistance	2,764	2,875	2,835	2,842	2,930
Information	120	114	126	123	116
Management of Companies and Enterprises	*	*	*	*	*
Manufacturing	632	686	662	670	687
Mining	*	*	*	*	*
Other Services, Ex. Public Admin	452	476	478	490	503
Professional and Technical Services	368	364	371	406	412
Real Estate and Rental and Leasing	201	191	201	202	202
Retail Trade	2,171	2,188	2,183	2,175	2,294
Transportation and Warehousing	438	519	511	548	603
Utilities	106	108	110	101	99
Wholesale Trade	446	435	469	486	490
Total Government	3,432	3,381	3,340	3,314	3,411

(1) Data as of Fourth Quarter of 2015

\* Withheld to avoid disclosing \* data. Data that are not disclosed for individual industries are always included in the totals. Therefore, the individual industries may not sum to the totals.

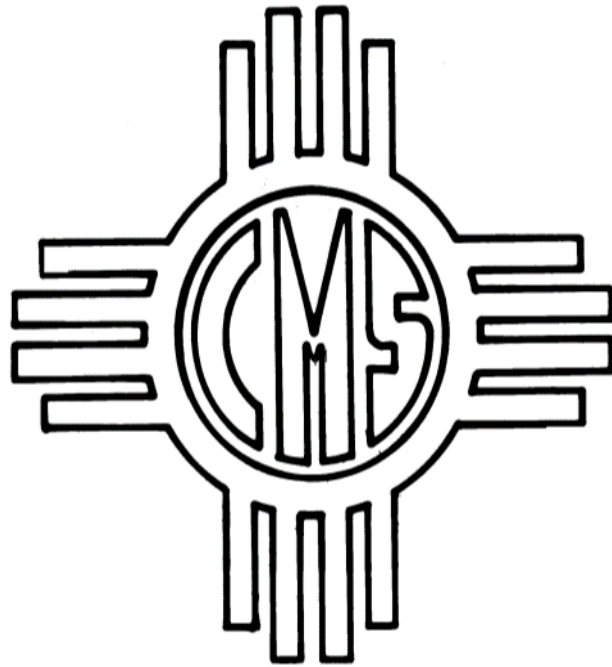
Note: Figures shown here are annual averages of quarterly data.

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

## APPENDIX B

### AUDITED FINANCIAL STATEMENTS – JUNE 30, 2016

*Clarity from Complexity*



**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
June 30, 2016

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STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
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CLOVIS MUNICIPAL SCHOOLS  
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CLOVIS MUNICIPAL SCHOOLS  
OFFICIAL ROSTER  
JUNE 30, 2016

Board of Education

Kyle Snider	President
Paul Cordova	Vice President
Terry Martin	Secretary
Justin Howalt	Member
Cindy Osburn	Member

School Officials

Jody Balch	Superintendent
Cindy Martin	Deputy Superintendent of Instruction
Carrie Bunce	Deputy Superintendent of Operations
Shawna Russell	Chief Financial Officer
Dr. Kerry Parker	Executive Director of Human Resources

## Independent Auditor's Report

Mr. Tim Keller  
New Mexico State Auditor  
&  
The Board of Education  
Clovis Municipal Schools

### Report on Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

Mr. Tim Keller  
New Mexico State Auditor  
&  
The Board of Education  
Clovis Municipal Schools

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non major governmental fund and fiduciary fund of the District as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparisons for the major debt service fund, major capital projects funds and all non-major 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 management's discussion and analysis on pages 5 through 15 and the Schedule of the District's Proportionate Share of Net Pension Liability and Schedule of the District's Contributions on pages 64 and 65 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

Mr. Tim Keller  
New Mexico State Auditor  
&  
The Board of Education  
Clovis Municipal Schools

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 budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Changes in Fiduciary Net Assets and Liabilities – Agency Funds, Schedule of Collateral Pledged by Depository for Public Funds, Schedule of Cash and Temporary Investment Accounts, and Schedule of Cash Reconciliation as required by the New Mexico State Audit Rule 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

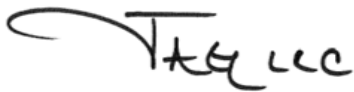
The Schedule of Expenditures of Federal Awards and other schedules required by Section 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected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

The Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT) required by Section 2.2.2 NMAC has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Mr. Tim Keller  
New Mexico State Auditor  
&  
The Board of Education  
Clovis Municipal Schools

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 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.

A handwritten signature in black ink, appearing to read "JAG LLC", with a large, stylized flourish at the beginning.

Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 14, 2016

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2016

## Introduction

This discussion and analysis of Clovis Municipal School's (Clovis Municipal School District or the District) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the financial performance of the District as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the school district's financial performance.

## Financial Highlights

- The assets of the District exceeded its liabilities at the end of the fiscal year by \$47,972,046. Of this amount, \$112,601,321 is invested in capital assets, \$16,545,494 is restricted for capital projects, debt service purposes, and special revenue funds and (\$75,102,671) is unrestricted.
- The District's total net position increased by \$1,016,018 as more fully described on the next page.
- The District's liabilities increased by \$6,810,245 in fiscal year 2016 primarily as a result of an increase in the net pension liability of \$9,948,487.
- At June 30, 2016, the fund balance for the general fund was \$11,006,885 which reflects an increase of \$1,516,571.
- The District's general obligation bond debt balance is \$38,795,000, which reflects an overall \$2,590,000 decrease due to principal payments on bonds issued before fiscal year 2016. Voters authorized new bonds in the amount of \$20,000,000 in an election on May 7, 2013 which allows the District to issue this new debt over a four year period beginning with the fiscal year ending 2013. The final debt issue will be sold in the summer of 2016. During the same time period, the District will begin working on a new bond sale to be voted on in February, 2017.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2016

The District's Condensed Statement of Net Position at June 30 is as follows:

	<u>2016</u>	<u>2015</u>
Current Assets	\$ 30,479,126	\$ 31,741,018
Noncurrent Assets	<u>151,396,321</u>	<u>151,926,201</u>
Total assets	<u>181,875,447</u>	<u>183,667,219</u>
Deferred Outflow of Resources	<u>8,937,613</u>	<u>6,129,823</u>
Assets and Deferred Outflow of Resources	<u>\$ 190,813,060</u>	<u>\$ 189,797,042</u>
Current Liabilities	4,409,437	4,862,790
Long-Term Liabilities Other than Pension	36,130,000	38,814,889
Net Pension Liability	<u>93,363,964</u>	<u>83,415,477</u>
Total Liabilities	<u>133,903,401</u>	<u>127,093,156</u>
Deferred Inflow of Resources	<u>2,865,515</u>	<u>8,825,472</u>
Net Investment in Capital Assets	112,601,321	110,541,201
Restricted	16,545,494	18,729,794
Unrestricted (Deficit)	<u>(75,102,671)</u>	<u>(75,392,581)</u>
Total Net Position	<u>54,044,144</u>	<u>53,878,414</u>
Liabilities, Deferred Inflow of Resources, and Net Position	<u>\$ 190,813,060</u>	<u>\$ 189,797,042</u>

At June 30, 2016, ending net position was \$54,044,144 and at June 30, 2015, the total amount for ending net position was \$53,878,414 for an increase of \$165,730.

The increase in net position was a result of a decrease in current and long-term liabilities offset by an increase in net pension liability. The recording of net pension liability on July 1, 2014 was the result of the required implementation of GASB 68. Further review of the effects of GASB 68 can be found later in this discussion. Additionally, the difference between the decrease in current and long-term liabilities and increase in net pension liability was partially offset by the increase in net investments in capital assets of \$2,060,120 as a result of the continued replacement and upgrade of certain school buildings in the District.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2016

The District's Condensed Statement of Activities for the years ended June 30 is as follows:

	<u>2016</u>	<u>2015</u>
Revenues:		
Charges for Services	\$ 413,456	\$ 462,408
Operating Grants/Contributions	12,975,648	11,875,543
Capital Grants/Contributions	1,869,637	15,733,183
Local Property Taxes	6,029,316	5,413,274
State Aid	58,499,279	57,559,253
Interest Income	109,070	45,543
Other	<u>(771,384)</u>	<u>227,000</u>
Total Revenues	<u>79,125,022</u>	<u>91,316,204</u>
	-	
Expenses:		
Direct Instruction	42,318,853	40,189,272
Support Services	17,670,205	17,309,858
Central Services	1,931,835	1,878,290
Operation and Maintenance of Plant	8,358,854	8,141,978
Student Transportation	1,943,363	1,349,041
Operation of Non-Support Services	5,702,927	5,528,855
Interest on Long-Term Debt	<u>1,033,255</u>	<u>974,966</u>
Total Expenses	<u>78,959,292</u>	<u>75,372,260</u>
Change in Net Position	<u>165,730</u>	<u>15,943,944</u>
Net position, beginning of year	53,878,414	123,814,841
Prior period restatement	<u>-</u>	<u>(85,880,371)</u>
Net position, beginning of year, as restated	<u>53,878,414</u>	<u>37,934,470</u>
Net position - end of year	<u>\$ 54,044,144</u>	<u>\$ 53,878,414</u>

Certain reclassifications were made to 2015 information to conform to 2016 presentation.



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2016

### Overview of Financial Statements

The Clovis Municipal School District's (District) basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to that of a private sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). Both the *statement of net position* and the *statement of activities* distinguish functions of District that are primarily supported by property taxes and state revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through fees and charges. The governmental activities of the district include education, pupil transportation, food service, instructional materials allocations, and community service. The District does not have any business-type activities.

#### Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other school districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

#### Governmental Funds

*Government Funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide

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financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains nine individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the government funds statement of revenues, expenditures, and changes in fund balance for the following funds:

- General Operational Fund
- Transportation Fund
- Instructional Materials Fund
- Food Service Fund
- Title I
- IDEA-B Entitlement
- Bond Building Fund
- Capital Improvements – SB9 Fund
- Debt Service Fund
- Other Governmental Funds

The first nine funds are considered major funds. Individual fund data for each of the funds included in the Other Governmental Funds, which are considered to be non-major funds, is provided in the form of combining statements following the notes to the financial statements. The District adopts an annual appropriated budget for each of its funds. Budgetary comparative statements have been provided for these funds to demonstrate compliance with these budgets.

Fiduciary Funds

Fiduciary Funds are used to account for resources held in trust for the benefit of parties outside the District. Fiduciary fund financial statements consist of a statement of fiduciary net position and a statement of changes in fiduciary net assets. These funds are not reported in the government-wide financial statements.

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Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Overview of Clovis Municipal School's Financial Position and Operations**

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. A portion (208%) of the District's net position is invested in capital assets (e.g., land, land improvements, buildings and building improvements, and furniture, fixtures, and equipment), less any related debt used to acquire those assets that is still outstanding. The Net Investment in Capital Assets increased by \$2,060,120, primarily because of the cost of completed building and building projects and adjusted by depreciation expense and changes in debt associated with buildings. The District uses these capital assets to provide educational 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.

On July 1, 2014, the District implemented GASB 68. GASB 68 required the District to record the net unfunded pension liability of all of the District's participant's (current and former employees) in the State's educational retirement system on the District's financial statements (Statement of Net Position). The table below presents the effect of the pension liability in the Statement of Net Position at June 30:

	<u>2016</u>	<u>2015</u>
Pension liability	\$ (93,363,964)	\$ (83,415,477)
Deferred inflows related to pension liability	(2,865,515)	(8,825,472)
Deferred outflows related to the pension liability	<u>8,937,613</u>	<u>6,129,823</u>
Total net position (deficit) related to pension liability	<u>\$ (87,291,866)</u>	<u>\$ (86,111,126)</u>

GASB 68 does not allow for the components of the unrestricted net position to be presented separately in the financial statements, however, for the purposes of management's discussion and analysis, we present the following information for the readers of these financial statements:

	<u>2016</u>	<u>2015</u>
Unrestricted (deficit) net position - pension obligation	\$ (87,291,866)	\$ (86,111,126)
Unrestricted net position - other	<u>12,189,195</u>	<u>10,718,545</u>
Total unrestricted (deficit) net position	<u>\$ (75,102,671)</u>	<u>\$ (75,392,581)</u>

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Changes in the pension liability during the year ended June 30, 2016 resulted in an additional pension expense of \$1,181,042 in the Statement of Activities.

Additionally, for comparative analysis, if the effects of GASB 68 were not recorded in the District's financial statements, the District's unrestricted net position would have increased from \$10,718,545 at June 30, 2015 to \$12,189,595 at June 30, 2016.

All other portions of net position are restricted for the stated purpose. Current and other assets decreased by \$1,261,892. This decrease was primarily due to a decrease in restricted cash, receivables, and inventory in the Operational and Bond Building Funds.

The District continues to utilize local Bond Funds and State Appropriations to construct new schools and make improvements to existing facilities. Total liabilities increased by \$6,810,245

The following are major elements of the District's governmental activities contribution to the increase in the change in net position.

As noted in the preceding Schedule, the District is heavily dependent on federal and state aid which comprises 75% of total revenues. Correspondingly, it spends almost 76% of total expenditures on direct instruction and support services – student/instruction/school administration; the two primary functions that indicate direct school spending. Revenues from local sources experienced a slight increase. The District experienced an increase of \$616,042 in property tax revenues. Federal and State Aid, Operating Grants and contribution sources experienced an increase of \$2,040,131 compared to 2015. This increase is largely due to the increase in the State Equalization Guarantee and a slight increase in Transportation, Food Service and Title I Grants. Due to the economic factors of the communities we serve, the District qualifies for substantial Federal assistance.

The major funds noted similar variances when comparing 2015 to 2016. The Debt Service Fund has increased as a direct result of the changes in long-term debt, refunding higher interest debt, and the accelerated bond re-payment plan the district has chosen. The Bond Building Fund decreased due to holding off on selling the last issue of the municipal bond until September, 2016 and the completion of construction projects as well as the status of construction projects currently in progress.

The fund balance of the District's general fund increased by \$1,516,571 during the current fiscal year. The District's board and management were committed to increasing the cash balance of the District at the end of the fiscal year in order to meet increasing state mandates while maintaining the District's high bond rating. The current fiscal year budget reflects a decrease in

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the cash balance. The fund balance is expected to decrease because of falling oil and gas prices which the state depends upon for their funding. This has led to a decrease in the State Equalization Guarantee amount for FY 16-17 of approximately \$885,000. Additionally, the fund balance is expected to decrease because of unfunded State of New Mexico mandates which allow teachers to move levels based on their evaluation instead of completing a dossier. Each level move per teacher costs the District approximately \$12,000 per year.

The District's debt service fund's total fund balance was \$3,689,125 and is restricted for the payment of debt service. This is a net increase in fund balance of \$71,597. The increase was due to the refunding of higher interest bonds.

There was a significant decrease of \$3,002,300 in the fund balance of the Bond Building Capital Fund resulting in a fund balance of \$5,403,243. The decrease was the result of completion of capital projects and postponement of the sale of the final issue of the municipal bond until September 2016.

#### **General Fund Budgetary Highlights**

The District's budget is prepared in compliance with New Mexico State Statutes and New Mexico Public Education Department regulations and is based on revenue and expenditure trends, current year projections for certain transactions including cash receipts, disbursements, and encumbrances and is driven by the Educational Plan for Student Success. The primary focus of the District's budget development process is the General Fund due to funding challenges, legislative mandates for the educational programs and provision of student services, staffing, and other operating decisions. During the course of fiscal year 2016, the District amended its budget as needed. Differences between the original budgeted revenues and the final amended budgeted revenues resulted in a budget increase of \$132,341. This was a result of the funding formula increase of \$10.00 per unit.

The General Fund had significantly lower actual expenditures compared to final budget amounts in Instruction, Operations and Maintenance of Plant, and Other Support Services due to the strong budgeting controls the District has implemented.

#### **Capital Asset and Debt Administration**

At the end of fiscal year 2016, the District had \$217,185,213 invested in capitalized assets with associated accumulated depreciation of \$65,788,892. This investment in capital assets includes

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land, construction in progress, land improvements, buildings and building improvements, and furniture, fixtures and equipment. For all governmental activities, the amount of capital assets owned by the District was \$151,396,321 at historical cost, net of accumulated depreciation.

Major capital asset events during the current fiscal year included the following:

- CHS Parking Lot Replacement
- Yucca Middle School Roof Replacement
- Cameo Roof Replacement
- CHS Security Fence
- Cameo Playground
- Mesa Playground
- Sandia Playground

Construction in progress consisted of major construction projects currently underway in the District which include the new James Bickley School, New Parkview School, Barry Parking Lot Improvement, Central Office Parking Lot Improvement, new playground equipment and other various projects throughout the District. Capital assets decreased approximately .5% due to the closure of Ranchvale Elementary School.

#### Long Term Obligations

At the end of the current year, the District had \$39,091,039 in long-term debt related to governmental activities. Of this debt, \$38,795,000 was related to general obligation bonds outstanding at year-end. The debt position of the District is summarized below and is more fully analyzed in the financial statements.

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2016</u>	<u>One Year</u>
Bonds Payable	\$ 41,385,000	\$ -	\$ (2,590,000)	\$ 38,795,000	\$ 2,665,000
Compensated Absences	<u>293,666</u>	<u>310,146</u>	<u>(307,503)</u>	<u>296,309</u>	<u>296,309</u>
Total	<u>\$ 41,678,666</u>	<u>\$ 310,146</u>	<u>\$ (2,897,503)</u>	<u>\$ 39,091,309</u>	<u>\$ 2,961,309</u>

The District's total debt amount was \$38,795,000 at June 30, 2016. On August 1, 2015, the District reduced the debt principal by \$2,590,000 in accordance with scheduled bond payments. Overall, the District decreased its debt balances by \$2,587,357 which was due to the increase in compensated absences and offset by the debt payment activity described above.

The District maintained an Aa3/Underlying Aaa bond rating from Moody's Investor Service, Inc. during FY 15-16; however, the State of New Mexico recently received a rating downgrade to Aa1 with a negative outlook. Additionally, the District held a bond election on May 7, 2013 in which

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JUNE 30, 2016

the voters passed by a margin of over 3 to 1. Clovis Municipal Schools intends to hold its next bond election on February 7, 2017.

**Relevant Current Economic Factors, Decisions and Conditions**

The economy of Curry County and the City of Clovis is based primarily upon agriculture, military, industrial manufacturing, and wholesale/retail distribution. With 4,676 active-duty members 5,296 civilian employees which include 412 government civilians and 521 permanent party contractors, Cannon Air Force Base is vital to the economic stability of the area. Curry County is the largest agricultural center and has the largest concentration of cattle farms in New Mexico. Unemployment in Curry County has remained considerably lower than the State and the nation, at 4.3% in May, 2016.

The population of Curry County has seen a slight increase over the previous year and the student population has shown a slight decrease. The peak enrollment was in the FY 10-11 school year, with 8,470 students. The final student enrollment count for FY 15-16 was 8,370, which included 1,420 military students from Cannon Air Force Base. Projected enrollment for FY 16-17 was 8,325 which reflects a slight decrease in the student population. Since the District, like all other New Mexico school districts, is funded on a prior year funding formula, (i.e. the student population from this year will determine the amount of funding received in the following year), it must maintain tight budgetary controls in order to meet current year needs with last year's funding. The District's primary general source of revenues is derived from the state funding formula.

Even with a decline in student population, the need still exists to update and renovate some of the District's older schools. By closing the Ranchvale Elementary School and utilizing existing classroom space in Barry Elementary, the district was able to save extensive renovation costs and employee vacancy savings which will be put back into the budget. By rebuilding older schools such as James Bickley Elementary and Parkview Elementary, the District will eliminate the need for 15 portable buildings within the next two years. Additionally, Clovis Schools is in the process of replacing all K-5 playgrounds and is working towards repairing and/or replacing parking lots in need of improvement.

In May of 2013, new bonds in the amount of \$20,000,000 were approved by the voters. This debt authorization will be sold over a 4 year period beginning in September of 2013 and will conclude in September of 2016. During fiscal year 2013-2014, we completed two bond sales with issue dates of September 10, 2013 for \$4,900,000 and April 30, 2014 for \$5,100,000. On April 30, 2014, we refunded a 2004 bond issue in the amount of \$4,130,000. On June 15, 2015, the District completed one bond sale in the amount of \$5,000,000. As stated earlier, the final bond will be

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JUNE 30, 2016

sold in September, 2016. As old debt is retired, new debt is issued, thereby maintaining a debt service tax rate of \$4.95 per \$1,000 of assessed value.

The District receives approximately 57% of its total annual operating budget from the State of New Mexico through the State Equalization Guarantee Funding. The objectives of the formula are (1) to equalize educational opportunity statewide (by 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 basis for the formula is in the number of students enrolled. Weighting factors are assigned to students that receive special services (i.e. special education and bilingual education services), as well as other factors based on the training and experience of the teaching staff and the District's at-risk population.

#### **Request for Information**

This financial report is designed to provide various interested parties with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or require additional information, contact the District's Finance Department:

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STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF NET POSITION  
As of June 30, 2016

	<u>Governmental</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 6,499,955
Restricted cash and cash equivalents	21,306,843
Receivables	2,140,112
Inventory	<u>532,216</u>
Total current assets	30,479,126
Non-current:	
Capital assets, net	<u>151,396,321</u>
Total assets	<u>181,875,447</u>
 <b>Deferred Outflows of Resources</b>	
Pension liability:	
Contributions to pension subsequent to measurement date	5,726,329
Change in assumptions	<u>3,211,284</u>
Total deferred outflows of resources	<u>8,937,613</u>
 <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	 <u><u>\$ 190,813,060</u></u>
 <b>Liabilities</b>	
Accounts payable	165,580
Accrued payroll liabilities	844,723
Accrued interest	437,825
Compensated absences	296,309
Due within one year - debt	<u>2,665,000</u>
Total current liabilities	<u>4,409,437</u>
Long-term liabilities	
Due in more than one year - debt	36,130,000
Net pension liability	<u>93,363,964</u>
Total long-term liabilities	<u>129,493,964</u>
Total liabilities	<u>133,903,401</u>
 <b>Deferred Inflows of Resources</b>	
Pension liability:	
Actuarial experience	1,730,882
Investment experience	420,255
Changes in proportion	<u>714,378</u>
Total deferred inflows of resources	<u>2,865,515</u>
 <b>Net Position</b>	
Net investment in capital assets	112,601,321
Restricted for	
Debt service	3,251,300
Capital projects	9,237,598
Other	4,056,596
Unrestricted (deficit)	<u>(75,102,671)</u>
Total net position	<u>54,044,144</u>
 <b>TOTAL DEFERRED INFLOWS OF RESOURCES, LIABILITIES, AND NET POSITION</b>	 <u><u>\$ 190,813,060</u></u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary Government</b>					
Governmental activities:					
Instruction	\$ 42,318,853	\$ 220,800	\$ 3,770,229	\$ -	\$ (38,327,824)
Support Services:					
Students	8,507,853	-	2,837,294	-	(5,670,559)
Instruction	4,193,508	-	360,621	-	(3,832,887)
General Administration	1,021,947	-	-	-	(1,021,947)
School Administration	3,938,584	-	-	-	(3,938,584)
Other Support Service	8,313	-	-	-	(8,313)
Central Services	1,931,835	-	-	-	(1,931,835)
Operation & Maintenance of Plant	8,358,854	-	-	1,869,637	(6,489,217)
Student Transportation	1,943,363	-	1,862,350	-	(81,013)
Food Services Operation	5,659,695	192,656	4,145,154	-	(1,321,885)
Community Services	43,232	-	-	-	(43,232)
Interest on long-term obligations	1,033,255	-	-	-	(1,033,255)
Total Primary Government	<u>\$ 78,959,292</u>	<u>\$ 413,456</u>	<u>\$ 12,975,648</u>	<u>\$ 1,869,637</u>	<u>(63,700,551)</u>
<b>General revenues:</b>					
Property Taxes:					
Levied for general purpose					382,613
Levied for debt services					4,044,804
Levied for capital projects					1,601,899
State Equalization Guarantee					58,499,279
Unrestricted investment earnings					109,070
Loss on disposal of capital assets					(939,717)
Miscellaneous					168,333
Total general revenues					<u>63,866,281</u>
					Change in net position 165,730
					Net position, beginning of year <u>53,878,414</u>
					Net position - end of year <u>\$ 54,044,144</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
As of June 30, 2016

	OPERATIONAL FUNDS		
	<i>Fund 11000</i>	<i>Fund 13000</i>	<i>Fund 14000</i>
	<u>General Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,771,597	\$ 754	\$ 749,365
Restricted cash and cash equivalents	8,344,453	-	-
Accounts receivable			
Property taxes	37,343	-	-
Due from other governments	-	-	-
Other receivables	-	-	-
Interfund receivables	1,472,829	-	-
Inventory	274,970	-	-
<b>Total Assets</b>	<u>\$ 11,901,192</u>	<u>\$ 754</u>	<u>\$ 749,365</u>
<b>Liabilities</b>			
Accounts payable	19,615	-	-
Accrued payroll liabilities	844,723	-	-
Interfund payables	-	-	-
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>864,338</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	29,969	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>894,307</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>			
Nonspendable	274,970	-	-
Restricted for:			
General fund	-	754	749,365
Special revenue	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
Assigned	-	-	-
Unassigned	10,731,915	-	-
<b>Total Fund Balance</b>	<u>11,006,885</u>	<u>754</u>	<u>749,365</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 11,901,192</u>	<u>\$ 754</u>	<u>\$ 749,365</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
As of June 30, 2016

	<i>Fund 21000</i>	<i>Fund 24101</i>	<i>Fund 24106</i>
	<b>Food Service</b>	<b>Title I</b>	<b>IDEA-B Entitlement</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 2,933,324	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-
Accounts receivable			
Property taxes	-	-	-
Due from other governments	-	564,933	481,104
Other receivables	-	-	-
Interfund receivables	-	-	-
Inventory	257,246	-	-
<b>Total Assets</b>	<u>\$ 3,190,570</u>	<u>\$ 564,933</u>	<u>\$ 481,104</u>
<b>Liabilities</b>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	564,933	481,104
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>564,933</u>	<u>481,104</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>-</u>	<u>564,933</u>	<u>481,104</u>
<b>Fund Balance</b>			
Nonspendable	257,246	-	-
Restricted for:			
General fund	-	-	-
Special revenue	2,933,324	-	-
Capital projects	-	-	-
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>3,190,570</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 3,190,570</u>	<u>\$ 564,933</u>	<u>\$ 481,104</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
As of June 30, 2016

	<i>Fund 31100</i>	<i>Fund 31700</i>	<i>Fund 41000</i>
	<b>Bond Building</b>	<b>Capital Improvements SB-9</b>	<b>Debt Service</b>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	5,608,708	3,390,369	3,550,513
Accounts receivable			
Property taxes	-	156,460	395,123
Due from other governments	-	-	-
Other receivables	-	-	-
Interfund receivables	-	-	59,500
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ 5,608,708</u>	<u>\$ 3,546,829</u>	<u>\$ 4,005,136</u>
<b>Liabilities</b>			
Accounts payable	145,965	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	59,500	-	-
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>205,465</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	-	125,274	316,011
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>205,465</u>	<u>125,274</u>	<u>316,011</u>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted for:			
General fund	-	-	-
Special revenue	-	-	-
Capital projects	5,403,243	3,421,555	-
Debt service	-	-	3,689,125
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>5,403,243</u>	<u>3,421,555</u>	<u>3,689,125</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 5,608,708</u>	<u>\$ 3,546,829</u>	<u>\$ 4,005,136</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
As of June 30, 2016

	Other Governmental	Total
<b>Assets</b>		
Cash and cash equivalents	\$ 1,044,915	\$ 6,499,955
Restricted cash and cash equivalents	412,800	21,306,843
Accounts receivable		
Property taxes	-	588,926
Due from other governments	440,205	1,486,242
Other receivables	64,944	64,944
Interfund receivables	-	1,532,329
Inventory	-	532,216
<b>Total Assets</b>	<b>\$ 1,962,864</b>	<b>\$ 32,011,455</b>
<b>Liabilities</b>		
Accounts payable	-	165,580
Accrued payroll liabilities	-	844,723
Interfund payables	426,792	1,532,329
Unearned revenues	-	-
<b>Total Liabilities</b>	<b>426,792</b>	<b>2,542,632</b>
<b>Deferred Inflows of Resources</b>		
Delinquent property taxes	-	471,254
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>426,792</b>	<b>3,013,886</b>
<b>Fund Balance</b>		
Nonspendable	-	532,216
Restricted for:		
General fund	-	750,119
Special revenue	1,123,272	4,056,596
Capital projects	412,800	9,237,598
Debt service	-	3,689,125
Assigned	-	-
Unassigned	-	10,731,915
<b>Total Fund Balance</b>	<b>1,536,072</b>	<b>28,997,569</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 1,962,864</b>	<b>\$ 32,011,455</b>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
As of June 30, 2016

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

Fund balances - total governmental funds	\$ 28,997,569
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

Capital assets	217,185,213
Accumulated depreciation	(65,788,892)

Other assets are not available to pay for current-period expenditures and are therefore deferred in the funds.

Property taxes	471,254
----------------	---------

Deferred inflow of resources are not financial resources and are not reported in the funds and include:

Actuarial experience	(1,730,882)
Investment experience	(420,255)
Changes in proportion	(714,378)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Bond payable	(38,795,000)
Accrued interest payable	(437,825)
Compensated absences	(296,309)
Net pension liability	(93,363,964)

Deferred outflow of resources are not financial resources and are not reported in the funds and include:

Contributions to pension subsequent to measurement date	5,726,329
Change in assumptions	3,211,284

Total net position - government funds	\$ <u>54,044,144</u>
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*See accompanying notes.*

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2016

	OPERATIONAL FUNDS		
	<i>Fund 11000</i>	<i>Fund 13000</i>	<i>Fund 14000</i>
	General Operational	Transportation	Instructional Materials
Revenues			
Property taxes	\$ 352,644	\$ -	\$ -
State grants	58,499,279	1,862,350	585,468
Federal grants	269,134	-	-
Miscellaneous	243,514	-	869
Charges for services	8,250	-	-
Interest	94,396	-	-
<b>Total Revenues</b>	<b>59,467,217</b>	<b>1,862,350</b>	<b>586,337</b>
Expenditures			
Current:			
Instruction	36,424,681	-	922,704
Support services			
Students	6,147,950	-	-
Instruction	1,932,039	-	-
General administration	628,142	-	-
School administration	3,685,563	-	-
Central services	1,809,054	-	-
Operation & maintenance of plant	7,313,719	-	-
Student transportation	2,188	1,861,596	-
Other support services	7,310	-	-
Food services operations	-	-	-
Community services	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<b>57,950,646</b>	<b>1,861,596</b>	<b>922,704</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,516,571</b>	<b>754</b>	<b>(336,367)</b>
Other financing sources (uses)			
Operating transfers	-	-	-
Proceeds from bond issuance	-	-	-
Proceeds from refunding debt issuance	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,516,571</b>	<b>754</b>	<b>(336,367)</b>
Fund balance beginning of year	9,490,314	-	1,085,732
Prior Period Restatement	-	-	-
Fund balance, beginning of year, restated	9,490,314	-	1,085,732
<b>Fund balance end of year</b>	<b>\$ 11,006,885</b>	<b>\$ 754</b>	<b>\$ 749,365</b>

See accompanying notes.



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2016

	<i>Fund 21000</i>	<i>Fund 24101</i>	<i>Fund 24106</i>
	<b>Food Service</b>	<b>Title I</b>	<b>IDEA-B Entitlement</b>
Revenues			
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	-
Federal grants	4,029,496	2,076,452	1,775,064
Miscellaneous	-	-	-
Charges for services	192,656	-	-
Interest	-	-	-
<b>Total Revenues</b>	<u>4,222,152</u>	<u>2,076,452</u>	<u>1,775,064</u>
Expenditures			
Current:			
Instruction	-	1,273,257	529,614
Support services			
Students	-	459,520	973,216
Instruction	-	614	-
General administration	-	243,281	48,684
School administration	-	24,367	175,190
Central services	-	-	45,167
Operation & maintenance of plant	-	642	1,616
Student transportation	-	34,202	1,577
Other support services	-	-	-
Food services operations	4,255,728	-	-
Community services	-	20,719	-
Capital outlay	-	19,850	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>4,255,728</u>	<u>2,076,452</u>	<u>1,775,064</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(33,576)</u>	-	-
Other financing sources (uses)			
Operating transfers	-	-	-
Proceeds from bond issuance	-	-	-
Proceeds from refunding debt issuance	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-
Net change in fund balances	<u>(33,576)</u>	-	-
Fund balance beginning of year	3,224,146	-	-
Prior Period Restatement	-	-	-
Fund balance, beginning of year, restated	<u>3,224,146</u>	-	-
Fund balance end of year	<u>\$ 3,190,570</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2016

	<i>Fund 31100</i>	<i>Fund 31700</i>	<i>Fund 41000</i>
	<b>Bond Building</b>	<b>Capital Improvements SB-9</b>	<b>Debt Service</b>
<b>Revenues</b>			
Property taxes	\$ -	\$ 1,476,625	\$ 3,728,793
State grants	1,837,891	-	-
Federal grants	-	-	-
Miscellaneous	31,747	-	-
Charges for services	-	-	-
Interest	6,253	5,147	3,274
<b>Total Revenues</b>	<u>1,875,891</u>	<u>1,481,772</u>	<u>3,732,067</u>
<b>Expenditures</b>			
Current:			
Instruction	-	-	-
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	-	14,737	37,215
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	1,003	-	-
Food services operations	-	-	-
Community services	-	-	-
Capital outlay	4,877,188	943,454	-
Debt service			
Principal	-	-	2,590,000
Interest	-	-	1,033,255
<b>Total Expenditures</b>	<u>4,878,191</u>	<u>958,191</u>	<u>3,660,470</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,002,300)</u>	<u>523,581</u>	<u>71,597</u>
<b>Other financing sources (uses)</b>			
Operating transfers	-	-	-
Proceeds from bond issuance	-	-	-
Proceeds from refunding debt issuance	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(3,002,300)</u>	<u>523,581</u>	<u>71,597</u>
<b>Fund balance beginning of year</b>	8,405,543	2,897,974	3,617,528
<b>Prior Period Restatement</b>	-	-	-
<b>Fund balance, beginning of year, restated</b>	<u>8,405,543</u>	<u>2,897,974</u>	<u>3,617,528</u>
<b>Fund balance end of year</b>	<u>\$ 5,403,243</u>	<u>\$ 3,421,555</u>	<u>\$ 3,689,125</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2016

	Other Governmental	Total
<b>Revenues</b>		
Property taxes	\$ -	\$ 5,558,062
State grants	625,470	63,410,458
Federal grants	1,550,659	9,700,805
Miscellaneous	219,728	495,858
Charges for services	212,481	413,387
Interest	-	109,070
<b>Total Revenues</b>	<u>2,608,338</u>	<u>79,687,640</u>
<b>Expenditures</b>		
Current:		
Instruction	1,079,900	40,230,156
Support services		
Students	863,806	8,444,492
Instruction	98,173	2,030,826
General administration	44,886	1,016,945
School administration	33,086	3,918,206
Central services	41,966	1,896,187
Operation & maintenance of plant	-	7,315,977
Student transportation	19,593	1,919,156
Other support services	-	8,313
Food services operations	115,658	4,371,386
Community services	22,513	43,232
Capital outlay	-	5,840,492
Debt service		
Principal	-	2,590,000
Interest	-	1,033,255
<b>Total Expenditures</b>	<u>2,319,581</u>	<u>80,658,623</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>288,757</u>	<u>(970,983)</u>
<b>Other financing sources (uses)</b>		
Operating transfers	-	-
Proceeds from bond issuance	-	-
Proceeds from refunding debt issuance	-	-
Bond underwriter discount	-	-
Bond underwriter premium	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>288,757</u>	<u>(970,983)</u>
<b>Fund balance beginning of year</b>	1,247,315	29,968,552
<b>Prior Period Restatement</b>	-	-
<b>Fund balance, beginning of year, restated</b>	<u>1,247,315</u>	<u>29,968,552</u>
<b>Fund balance end of year</b>	<u>\$ 1,536,072</u>	<u>\$ 28,997,569</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES -  
For the Year Ended June 30, 2016

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

Net changes in fund balances - total governmental funds	\$	(970,983)
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.

Depreciation expense		(4,959,523)
Capital outlays		5,267,704

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Change in deferred inflow related to the property taxes receivable		287,757
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The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayments of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Principal payments on bonds		2,590,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds:

Increase in accrued interest payable		(27,480)
Increase in accrued compensated absences		(2,642)
Loss on disposal of capital assets		(939,717)
Adjustments to capital assets		101,656
Contributions to pension plan subsequent to measurement date		5,726,329
Pension expense		(6,907,371)

Change in net position of governmental activities	\$	<u>165,730</u>
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*See accompanying notes.*

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL OPERATIONAL FUND (11000)  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ 331,848	\$ 331,848	\$ 351,980	\$ 20,132
State grants	58,389,715	58,522,056	58,499,279	(22,777)
Federal grants	240,058	240,058	274,587	34,529
Miscellaneous	87,500	87,500	249,369	161,869
Charges for services	1,500	1,500	8,250	6,750
Interest	75,000	75,000	94,396	19,396
<b>Total revenues</b>	<u>59,125,621</u>	<u>59,257,962</u>	<u>\$ 59,477,861</u>	<u>\$ 219,899</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	39,752,339	37,884,680	36,347,875	1,536,805
Support services				
Students	7,074,320	7,074,320	6,147,950	926,370
Instruction	1,485,967	2,010,967	1,932,039	78,928
General administration	814,423	814,423	608,527	205,896
School administration	3,823,056	3,823,056	3,685,563	137,493
Central services	1,861,726	1,861,726	1,810,216	51,510
Operation & maintenance of plant	11,060,571	11,060,571	7,318,345	3,742,226
Student transportation	-	5,000	2,188	2,812
Other support services	3,024,505	3,024,505	62,206	2,962,299
Operation of non-instructional services				
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	1,470,000	-	1,470,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>68,896,907</u>	<u>69,029,248</u>	<u>\$ 57,914,909</u>	<u>\$ 11,114,339</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ (9,771,286)</u>	<u>\$ (9,771,286)</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 59,477,861
Change in receivables	(10,644)
Modified accrual basis	<u>\$ 59,467,217</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 57,914,909
Change in payables	35,737
Modified accrual basis	<u>\$ 57,950,646</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TRANSPORTATION FUND (13000)  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,556,798	1,862,350	1,862,350	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>1,556,798</u>	<u>1,862,350</u>	<u>\$ 1,862,350</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	1,556,798	1,862,350	1,861,596	754
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>1,556,798</u>	<u>1,862,350</u>	<u>\$ 1,861,596</u>	<u>\$ 754</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 1,862,350
Change in receivables	-
Modified accrual basis	<u>\$ 1,862,350</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 1,861,596
Change in payables	-
Modified accrual basis	<u>\$ 1,861,596</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
INSTRUCTIONAL MATERIALS FUND (14000)  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	453,638	585,467	585,468	1
Federal grants	-	-	-	-
Miscellaneous	-	-	869	869
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>\$ 453,638</u>	<u>\$ 585,467</u>	<u>586,337</u>	<u>870</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	453,638	1,671,199	922,704	748,495
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>453,638</u>	<u>1,671,199</u>	<u>\$ 922,704</u>	<u>\$ 748,495</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ -</u>	<u>\$ (1,085,732)</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 586,337
Change in receivables	-
Modified accrual basis	<u>\$ 586,337</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 922,704
Change in payables	-
Modified accrual basis	<u>\$ 922,704</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOOD SERVICE SPECIAL REVENUE FUND (21000)  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	3,480,000	3,480,000	3,710,561	230,561
Miscellaneous	-	-	-	-
Charges for services	255,500	255,500	192,656	(62,844)
Interest	-	-	-	-
<b>Total revenues</b>	<u>\$ 3,735,500</u>	<u>3,735,500</u>	<u>3,903,217</u>	<u>167,717</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ -	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	5,048,743	5,048,743	3,990,266	1,058,477
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>\$ 5,048,743</u>	<u>5,048,743</u>	<u>3,990,266</u>	<u>1,058,477</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ (1,313,243)</u>	<u>(1,313,243)</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 3,903,217
Change in receivables	318,935
Modified accrual basis	<u>\$ 4,222,152</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 3,990,266
Change in payables	265,462
Modified accrual basis	<u>\$ 4,255,728</u>

See accompanying notes.



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE I SPECIAL REVENUE FUND (24101)  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	2,081,281	2,509,732	1,853,172	(656,560)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>\$ 2,081,281</u>	<u>2,509,732</u>	<u>1,853,172</u>	<u>(656,560)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 1,181,859	1,547,559	1,273,257	274,302
Support services				
Students	454,579	447,379	459,520	(12,141)
Instruction	-	1,170	614	556
General administration	258,112	288,863	243,281	45,582
School administration	55,231	35,561	24,367	11,194
Central services	-	-	-	-
Operation & maintenance of plant	1,500	1,500	642	858
Student transportation	-	56,700	34,202	22,498
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Community services	130,000	110,000	20,719	89,281
Capital outlay	-	21,000	19,850	1,150
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>\$ 2,081,281</u>	<u>2,509,732</u>	<u>2,076,452</u>	<u>433,280</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 1,853,172
Change in receivables	223,280
Modified accrual basis	<u>\$ 2,076,452</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 2,076,452
Change in payables	-
Modified accrual basis	<u>\$ 2,076,452</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
IDEA-B SPECIAL REVENUE FUND (24106)  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	1,833,030	2,358,413	1,540,685	(817,728)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>\$ 1,833,030</u>	<u>2,358,413</u>	<u>1,540,685</u>	<u>(817,728)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 581,150	611,918	529,614	82,304
Support services				
Students	854,925	1,353,168	973,216	379,952
Instruction	-	-	-	-
General administration	52,441	67,256	48,684	18,572
School administration	297,125	275,425	175,190	100,235
Central services	43,439	45,740	45,167	573
Operation & maintenance of plant	2,775	3,178	1,616	1,562
Student transportation	1,175	1,728	1,577	151
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>\$ 1,833,030</u>	<u>2,358,413</u>	<u>1,775,064</u>	<u>583,349</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 1,540,685
Change in receivables	234,379
Modified accrual basis	<u>\$ 1,775,064</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 1,775,064
Change in payables	-
Modified accrual basis	<u>\$ 1,775,064</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF FIDUCIARY  
ASSETS AND LIABILITIES - AGENCY FUNDS  
As of June 30, 2016

Assets

Cash and cash equivalents	\$ 1,206,725
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Liabilities

Deposits held in trust for others	\$ 1,206,725
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*See accompanying notes.*

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clovis Municipal School District's operation is in the primary and secondary education of school-age children within its state designated boundaries. The District operates under a school board form of government and provides services traditionally provided by public schools through the twelfth grade.

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 the notes are the representation of the District's management who is responsible for their integrity and objectivity.

The accounting and reporting policies of the District reflected in the accompanying financial statements conform to accounting principles generally acceptable in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in Governmental Accounting and Financial Reporting Standards.

A. *Reporting Entity*

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

The Governmental Accounting Standards Board's (GASB) 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, provides additional guidance to determine whether certain organizations, for which the primary government is not financially accountable, should be reported as component units, based on the nature and significance of their relationship with the primary government. Under both GASB 39 and GASB 61 criteria, the Clovis Municipal Schools Foundation (Foundation) meets the criteria for discrete component unit presentation. However, the Foundation does not meet the definition of a material component unit under either generally accepted auditing standards or the NMAC 2.2.2 and, therefore, is not included in these financial statements. The Foundation acts primarily as a fund raising organization to supplement the resources that are available to the District in support of its programs. There are no other component units.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Separate financial statements are provided for governmental funds 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 year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**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.

**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.

**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*.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 capital assets, and the servicing of long-term debt. Governmental funds include:

The *General Fund* is the primary operating fund of the District, and accounts for all financial resources, except those required to be accounted for in other funds.

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

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Under the requirements of GASB #34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Operational Fund), which include funds that were not required to be presented as major but were at the discretion of management:

*Other Operational Funds:*

The *Transportation Fund* is used to account for the State Equalization received from the State Department of Education which is used to pay for the costs associated with transporting school age children.

The *Instructional Materials Fund* is used to account for the monies received from the State Department of Education for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

The *Food Service Fund* is used to account for federal and local sources of income relating to the food services programs. The Food Services Fund is segregated into two categories, the federal funds category and the non-federal funds category. Federal funds consist of the National School Breakfast and Lunch Programs which are 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. The non-federal funds consist of income derived from the snack-bar facilities located throughout the District. Authority for creation of this fund is NMSA 22-13-13.

The *Title I Special Revenue Fund* is used to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Schools 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 identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. 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.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The *IDEA-B Entitlement Special Revenue Fund* is used to account for programs 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 *Bond Building Capital Projects Fund* is used 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.

*Capital Improvements SB-9 Capital Projects Fund* 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* is used to account for the accumulation of resources for the payment of Long-Term Debt principal and interest.

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

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

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

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

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District employs indirect cost allocation systems for certain federal programs. 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. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

*D. Assets, Liabilities 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 Money Market Funds, Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool. At June 30, 2016, the District's investments included Money Market Funds and Certificates of Deposit.

Money Market Funds and Certificates of Deposit are reported at Cost. Obligations of the U.S. Government and the State Treasurer's Investment Pool 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.

Funds deposited in the debt service funds are restricted to pay future principal and interest payments. Proceeds deposited into capital projects funds are legally restricted for capital projects.

**Receivables and Payables.** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. 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 Curry County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Curry County Treasurer in July 2016 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2016.

Certain Special Revenue funds are administered on a reimbursement method of funding; 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.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Instructional Materials.** The New Mexico State Department of Education 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 material listed in the State Board of Education 'State Adopted Instructional Material' list, while the other fifty percent of each allocation is available for purchases directly from vendors, for which the school district receives cash draw-downs, or transfer to the seventy percent account for requisition of material from the adopted list.

**Inventory.** Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the General Fund consists of expendable supplies held for consumption. Inventory in the Special Revenue Funds 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. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenue. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

**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 per Section 12-6-10 NMSA 1978 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. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. The District did not own any infrastructure assets as of June 30, 2016. Information technology equipment, including software, is being capitalized and included in furniture and equipment as the District did not maintain internally developed software. The District capitalizes the cost of library books when purchased. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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. Capital expenditures made on the District's building construction projects by the NM Public School Facilities Authority have been recorded as a revenue and expenditure in the fund financial statements, and have been included as capital assets in the District's government-wide financial statements.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Buildings/building improvements	50 years
Vehicles, telecommunications & computer equipment	5-20 years
Office equipment	5-20 years
Other school equipment	10-15 years
Library books	10 years

**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.

**Compensated Absences.** The District permits administrative employees to accumulate a limited amount of earned, but unused vacation, to be paid if not used upon termination from the District. In the government-wide statements, the total amount of earned and unused vacation is recorded as a liability. Vacation pay that is expected to be liquidated within the next twelve months is reported as a current liability on the government-wide statements and in the governmental fund which will pay it. In the governmental funds, the cost of compensated absences is recognized when payments are made to employees. No liability is reported in the financial statements for unpaid accumulated sick leave as no payment is required upon employee termination.

**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. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method.

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

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

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position.** 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 and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position:* Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position are restricted for “debt service or capital projects.”

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

**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 non-routine 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.

**E. Revenues**

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

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

**Tax Revenues.** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency.

The District records only the portion of the taxes considered to be 'measurable' and 'available'. 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. Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1st of each year to be paid in whole or in two installments by November 10<sup>th</sup> and April 10<sup>th</sup> of each year. Curry County collects County, City and School taxes and distributes them to each fund once per month except in June when the taxes are distributed twice to close out the fiscal year.

**Federal Impact Aid.** The District also receives Federal Impact Aid in lieu of property taxes for the presumed loss of property taxes that results from the federally owned lands of the Cannon Air Force Base that lie within the District's boundaries but are not subject to property taxes.

**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 District.

**Instructional Materials.** The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while the other fifty percent of each allocation is available for purchases directly from vendors.

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

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

1. A critical need exists requiring action;
2. The residents of the school districts have provided all available resources to the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner;
4. The school district is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and
5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

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

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

**SB-9 State Match.** The Director shall distribute to any school district that has imposed a tax under the Public School Capital Outlay 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.

**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 flow through agency (usually the New Mexico Department of Education). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

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.

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

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

The 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 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 submitted to the State of New Mexico Public Education Department (PED) by the District shall contain headings and details as described by law and have been approved by the Public Education Department.
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.

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NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY  
(CONTINUED)

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.

The “operating” budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.

4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education. 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 SBPU.

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 of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes. The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual line item.

Legal budget control for expenditures is by major function as follows: Instruction, Support Services, Operation of Non-instructional Services, Capital Outlay, and Debt Service.



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**NOTE 3. CASH AND CASH EQUIVALENTS AND RESTRICTED 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.

**Reconciliation of Cash and Temporary Investments:**

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

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

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

The collateral pledged is presented as other supplementary information in this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. Additionally, all deposits in non-interest bearing transaction accounts (such as non-interest bearing checking accounts) at participating institutions are fully guaranteed, regardless of dollar amount.

**Deposits**

NM 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 Schools for a least one half of the amount on deposit with the institution.

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**NOTE 3. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS (CONTINUED)**

The detail of the District bank accounts and the insured portion of the deposits is as follows:

	Bank <u>of Clovis</u>	Western Bank <u>of Clovis</u>	NM Bank & Trust	Citizen's Bank	<u>Total</u>
Deposits					
Checking	\$ 11,303,138	\$ 6,494,954	\$ 1,119,481	\$ 8,985,359	\$ 27,902,932
Certificates of Deposit	5,724,238	-	-	-	5,724,238
FDIC coverage	<u>(500,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(1,250,000)</u>
Total uninsured public funds	<u>16,527,376</u>	<u>6,244,954</u>	<u>869,481</u>	<u>8,735,359</u>	<u>32,377,170</u>
Collateral requirement (50% of uninsured public funds)	8,263,688	3,122,477	434,741	4,367,680	16,188,586
Pledged collateral held by pledging bank's trust department or agent but not in agency's name	<u>21,703,437</u>	<u>7,041,451</u>	<u>2,716,493</u>	<u>13,635,211</u>	<u>45,096,592</u>
Total (under) over collateralized	<u>\$ 13,439,749</u>	<u>\$ 3,918,974</u>	<u>\$ 2,281,752</u>	<u>\$ 9,267,532</u>	<u>\$ 28,908,007</u>

*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). At June 30, 2016, \$32,377,170 of the District's bank balance of \$33,627,170 was exposed to custodial credit risk as it was uninsured and the collateral was held by the pledging bank's trust department, not in the District's name. At June 30, 2016, the carrying amount of these deposits was \$29,013,523.

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

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

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

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**NOTE 3. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS (CONTINUED)**

State statutes authorize the investment of school district funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool and money market accounts. The District is also allowed to invest in United States Government obligations. The District's investment policy does not further its investment choices. The following table provides a reconciliation from the financial statements to the bank balance:

Government Funds - Balance Sheet

Cash and cash equivalents (including restricted)	\$ 27,806,798
Statement of Fiduciary Assets and Liabilities - Agency Funds	
Cash and cash equivalents	1,206,725
	29,013,523
Add outstanding checks and other reconciling items	4,613,807
	33,627,330
Less petty cash	(160)
Bank balance of deposits	\$ 33,627,170

The District utilizes internal pooled accounts for certain programs and funds. Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from accounts in the balance sheets as of June 30, 2016.

**NOTE 4. RECEIVABLES**

Receivables (deemed 100% collectible) as of June 30, 2016, are as follows:

	Operational Fund	Title I	IDEA-B	
Property taxes	\$ 37,343	\$ -	\$ -	
Intergovernmental	-	564,933	481,104	
Other	-	-	-	
	<u>\$ 37,343</u>	<u>\$ 564,933</u>	<u>\$ 481,104</u>	
	Capital Improvements (SB-9)	Debt Service	Other Governmental	Total
Property taxes	\$ 156,460	\$ 395,123	\$ -	\$ 588,926
Intergovernmental	-	-	440,205	1,486,242
Other	-	-	64,944	64,944
	<u>\$ 156,460</u>	<u>\$ 395,123</u>	<u>\$ 505,149</u>	<u>\$ 2,140,112</u>

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**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 as of June 30, 2016 is as follows:

	<u>Receivables</u>	<u>Payables</u>
<b>Major Funds:</b>		
General Fund	\$ 1,472,829	\$ -
Title I	-	564,933
IDEA-B	-	481,104
Bond Building	-	59,500
Debt Service	59,500	
<b>Nonmajor Funds:</b>		
Special Revenue Funds	-	426,792
	<u>\$ 1,532,329</u>	<u>\$ 1,532,329</u>

**NOTE 6. CAPITAL ASSETS**

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

	Balance June 30, 2015	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2016
Capital Assets not being depreciated:					
Land	\$ 1,025,970	\$ -	\$ -	\$ -	\$ 1,025,970
Construction in process	17,032,390	4,442,476	-	(3,685,175)	17,789,691
Total capital assets not being depreciated	<u>18,058,360</u>	<u>4,442,476</u>	<u>-</u>	<u>(3,685,175)</u>	<u>18,815,661</u>
Capital Assets being depreciated:					
Land improvements	13,105,450	5,067	(254,304)	3,508,287	16,364,500
Buildings and building improvements	162,826,546	40,422	(1,783,421)	176,888	161,260,435
Furniture, fixtures, vehicles and equipment	19,854,627	779,739	(112,099)	222,350	20,744,617
Total capital assets being depreciated	<u>195,786,623</u>	<u>825,228</u>	<u>(2,149,824)</u>	<u>3,907,525</u>	<u>198,369,552</u>
Less Accumulated depreciation:					
Land improvements	6,310,752	450,877	(111,150)	-	6,650,479
Buildings and building improvements	41,258,029	3,075,318	(994,796)	(874)	43,337,677
Furniture, fixtures, vehicles, and equipment	14,350,001	1,433,328	(104,161)	121,568	15,800,736
Total Accumulated depreciation	<u>61,918,782</u>	<u>4,959,523</u>	<u>(1,210,107)</u>	<u>120,694</u>	<u>65,788,892</u>
Net capital assets being depreciated	<u>133,867,841</u>	<u>(4,134,295)</u>	<u>(939,717)</u>	<u>3,786,831</u>	<u>132,580,660</u>
Government activities capital assets, net:	<u>\$ 151,926,201</u>	<u>\$ 308,181</u>	<u>\$ (939,717)</u>	<u>\$ 101,656</u>	<u>\$ 151,396,321</u>

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**NOTE 6. CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to governmental activities for the year ended June 30, 2016 as follows:

Depreciation expenses:

Instruction	\$ 908,032
Support Services - Students	63,362
Support Services - Instruction	2,162,682
Support Services - General Administration	5,002
Support Services - School Administration	20,379
Fiscal Services	35,647
Operation and Maintenance of Plant	476,110
Food Services	<u>1,288,309</u>
	<u>\$ 4,959,523</u>

**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 <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2016</u>	Due Within <u>One Year</u>
Bonds Payable	\$ 41,385,000	\$ -	\$ (2,590,000)	\$ 38,795,000	\$ 2,665,000
Compensated Absences	<u>293,666</u>	<u>310,146</u>	<u>(307,503)</u>	<u>296,309</u>	<u>296,309</u>
Total	<u>\$ 41,678,666</u>	<u>\$ 310,146</u>	<u>\$ (2,897,503)</u>	<u>\$ 39,091,309</u>	<u>\$ 2,961,309</u>

The District's general obligation bonds were issued for the purposes of creating, remodeling, making additions to and furnishing school buildings, and purchasing and improving school grounds and are payable solely from general property taxes that are levied against all taxable property in the District. The bonds are payable out of the Debt Service Fund (Fund 41000). Interest payments are due semi-annually on August 1 and February 1. Interest rates on the bonds range from 2.00% to 4.0%. Principal payments in varying amounts are due annually on August 1 through 2031.

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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			Total Debt
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Service</u>
2017	\$ 2,665,000	\$ 1,013,105	\$ 3,678,105
2018	2,425,000	945,218	3,370,218
2019	2,585,000	881,500	3,466,500
2020	2,275,000	815,301	3,090,301
2021	2,150,000	751,408	2,901,408
2022-2026	14,630,000	2,613,175	17,243,175
2027-2031	<u>12,065,000</u>	<u>613,134</u>	<u>12,678,134</u>
	<u>\$ 38,795,000</u>	<u>\$ 7,632,841</u>	<u>\$ 46,427,841</u>

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 \$2,642 from the prior year accrual. See Note 1 for more details.

**NOTE 8. 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 to 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.

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**NOTE 8. RISK MANAGEMENT (CONTINUED)**

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 coverage.

**NOTE 9. 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:

None

- B. Excess of expenditures over appropriations.

Funds 31700, 41000, and 27168 exceeded approved budgetary authority in the major budget function of support services for the year ended June 30, 2016.

**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD**

*Plan description.* Plan Description: NMERB 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.

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**NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD  
(CONTINUED)**

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

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

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

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's



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NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD  
(CONTINUED)

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, 2016 (and thereafter) employers contributed 13.90% of employees' gross annual salary to the Plan; participating employees earning more than \$20,000 annually contributed 10.70% of their gross salary. Employees earning \$20,000 or less contributed 7.90%. Contributions to the pension plan from the District were \$5,726,329 for the year ended June 30, 2016.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.*** The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2015. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016, 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 \$93,363,964 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, the District's proportion was 1.44141 percent, which was a decrease of 0.02055 percent from its proportion measured as of June 30, 2014. For the year ended June 30, 2016, under GASB 68, the District recognized pension expense of \$6,907,371 in the Statement of Activities.

Pension Expense Calculation

Add: Net pension liability - end of the year	\$ 93,363,964
Deduct: Net pension liability - beginning of the year	(83,415,477)
Deduct: Deferred outflows of resources during the year	(8,522,302)
Add: First year of amortization of deferred outflows of resources	-
Add: Deferred inflows of resources during the year	1,929,274
Deduct: First year of amortization of deferred inflows of resources	-
Add: Layered amortization of prior year(s) deferred outflows of resources	151,236
Deduct: Layered amortization of prior year(s) deferred inflows of resources	(2,294,460)
Reductions to ending net pension liability due to 2015 contributions paid	<u>5,695,136</u>
Total Pension Expense	<u>\$ 6,907,371</u>

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NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD  
(CONTINUED)

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

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual actuarial experience change of assumptions	\$ -	\$ 1,730,882
Net difference between projected and actual earnings on pension plan investments	-	420,255
Changes in assumptions	3,211,284	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	714,378
District contributions subsequent to the measurement date	<u>5,726,329</u>	<u>-</u>
Total	<u>\$ 8,937,613</u>	<u>\$ 2,865,515</u>

\$5,726,329 reported as 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 Ending June 30,	
2017	\$ (407,739)
2018	(374,804)
2019	(168,402)
2020	1,296,715
2021	<u>-</u>
Total	<u>\$ 345,770</u>

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NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD  
(CONTINUED)

*Actuarial assumptions.* The total ERB pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of June 30, 2015. The liabilities reflect the impact of Senate Bill 115, signed into law on March 29, 2013 and new assumptions adopted by the ERB Board of Trustees on June 12, 2015. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

1. All members with 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 NMERB attains a 100% funded status,
4. These assumptions were adopted by the Board on June 12, 2015 in conjunction with the six-year experience study period ending June 30, 2014, and
5. For purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

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

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

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NOTE 10. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD  
(CONTINUED)

Mortality 90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

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

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

The detail of pension plan investments, as reported in ERB's annual financial statements, can be found at [www.nmerb.org](http://www.nmerb.org).

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

**Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.** The following table presents the District's proportionate share of the net pension liability as of fiscal year end 2015, calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	1 % Decrease 6.75%	Current Discount Rate 7.75%	1 % Increase 8.75%
District's proportionate share of the net pension liability	<u>\$ 125,627,451</u>	<u>93,363,964</u>	<u>66,259,276</u>

**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).

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**NOTE II. 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).

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**NOTE 11. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

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 1.00% 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 \$873,672, \$819,594, and \$805,966, respectively, which equal the required contributions for each year.

**NOTE 12. 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.

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**NOTE 13. BUDGETED ACTIVITY FUNDS**

The Student Activity Funds, are considered for reporting purposes as agency funds and the related activity has been reported as such in the Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds section of the financial statements.

**NOTE 14. COMMITMENTS**

The District contracts with outside vendors for construction and renovation of various facilities. At June 30, 2016, the District's maintains a portion of contracts outstanding for capital projects.

**NOTE 15. GOVERNMENTAL FUND BALANCE**

**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.

***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.

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JUNE 30, 2016

NOTE 15. GOVERNMENTAL FUND BALANCE (CONTINUED)

*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.

NOTE 16. RELATED PARTY TRANSACTIONS

In July 2013, the Board of Education approved a waiver, in accordance with Section 13-1-194, NMSA 1978, to allow a company owned by a Board Member (Snider Electric) to bid or contract for the procurement of services with the District. In July 2015, the Board of Education approved a waiver, in accordance with Section 13-1-194, NMSA 1978, to allow a company owned by a Board Member (Osburn Tire) to bid or contract for the procurement of services with the District. During the year ended June 30, 2016, the District incurred approximately \$230,000, and \$4,000 in expenditures with Snider Electric and Osburn Tire, respectively. No amounts were owed to or from the companies/District at June 30, 2016.

NOTE 17. SUBSEQUENT EVENTS

On September 27, 2016, the District issued General Obligation Schools Bonds Series 2016 A (Series A) in the amount of \$5,000,000 and General Obligation Refunding Bonds Series B (Series B) in the amount of \$3,450,000.

Proceeds of the Series 2016A Bonds is to be used for the purpose of (1) erecting, remodeling, making additions to and furnishing school buildings, purchasing and improving school grounds and purchasing computer software and hardware for student use in public school classrooms, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act, or any combination of those purposes within the District and (2) paying costs of issuance with such bonds. Proceeds of the Series 2016B Bonds is to be used for the purpose of (1) advance refunding of the District's outstanding General Obligation School Building Bonds, Series 2008 (the "Refunded Bonds") and (2) paying costs of issuance of such bonds.



**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY  
Educational Retirement Board (ERB) Pension Plan  
For the Years ended June 30, 2016 and 2015  
Last 10 Fiscal Years\*

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	1.44141%	1.46196%
District's proportionate share of the net pension liability	\$ 93,363,964	\$ 83,415,477
District's covered-employee payroll	\$ 39,355,110	\$ 40,970,214
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	237%	204%
ERB Plan fiduciary net position as a percentage of the total pension liability	63.97%	66.54%

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

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
Educational Retirement Board (ERB) Pension Plan  
For the Years ended June 30, 2016 and 2015  
Last 10 Fiscal Years\*

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 5,695,136	\$ 5,299,067
Contributions in relation to the contractually required	<u>(5,695,136)</u>	<u>(5,299,067)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 39,355,110	\$ 40,970,214
Contribution as a percentage of covered-employee payroll	14.47%	12.93%

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

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
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 on the Pension Plan (Note 10).

*Changes of assumptions.* ERB conducts an actuarial experience study for the Plan on a biennial basis. The Board of Trustees approved the following economic and demographic assumptions used in the fiscal year 2015 actuarial calculation of the total pension liability on June 12, 2015:

- Lower wage inflation from 4.25% to 3.75%
- Update the mortality tables to incorporate generational improvements
- Update demographic assumptions to use currently published tables, which may result in minor calculation changes
- Maintain in current 3.00% inflation assumption
- Retain net 4.75% real return assumption
- Retain 7.75% nominal return assumption
- No change to COLA assumption of 2.00% per year
- Maintain current payroll growth assumption of 3.50%
- Maintain experience-based rates for members who joined NMERB by June 30, 2010
- Remove population growth assumption for projections
- Lower population growth from .50% to zero (no impact on valuation results)

See also the actuarial assumptions subsection of the financial statement note disclosure on the Pension Plan (Note 10).

## SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BOND BUILDING CAPITAL PROJECT FUND (31100) (MAJOR FUND)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	31,746	31,746
Charges for services	-	-	-	-
Interest	5,000	5,000	6,253	1,253
<b>Total revenues</b>	<u>\$ 5,000</u>	<u>5,000</u>	<u>37,999</u>	<u>32,999</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ -	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	1,500	1,003	497
Operation of non-instructional services				
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	6,562,951	6,561,451	3,515,248	3,046,203
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>\$ 6,562,951</u>	<u>6,562,951</u>	<u>3,516,251</u>	<u>3,046,700</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ (6,557,951)</u>	<u>(6,557,951)</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 37,999
Change in receivables	1
Capital outlay expenditures paid directly by the Public Schools Facilities Authority	1,837,891
Modified accrual basis	<u>\$ 1,875,891</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 3,516,251
Change in payables	(475,951)
Capital outlay expenditures paid directly by the Public Schools Facilities Authority	1,837,891
Modified accrual basis	<u>\$ 4,878,191</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND (31700)(MAJOR FUND)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ 1,386,777	1,386,777	1,473,710	86,933
State grants	1,342,727	2,226,914	-	(2,226,914)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	2,000	2,000	5,147	3,147
<b>Total revenues</b>	<u>\$ 2,731,504</u>	<u>3,615,691</u>	<u>1,478,857</u>	<u>(2,136,834)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ -	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	13,868	13,868	14,737	(869)
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	3,015,955	3,900,142	943,454	2,956,688
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>\$ 3,029,823</u>	<u>3,914,010</u>	<u>958,191</u>	<u>2,955,819</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ (298,319)</u>	<u>(298,319)</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 1,478,857
Change in receivables	2,915
Modified accrual basis	<u>\$ 1,481,772</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 958,191
Change in payables	-
Modified accrual basis	<u>\$ 958,191</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
DEBT SERVICE FUND (41000)(MAJOR FUND)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ 3,642,755	3,642,755	3,721,478	78,723
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	1,750	1,750	3,274	1,524
<b>Total revenues</b>	<u>\$ 3,644,505</u>	<u>3,644,505</u>	<u>3,724,752</u>	<u>80,247</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ -	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	36,428	36,428	37,215	(787)
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	2,590,000	2,590,000	2,590,000	-
Interest	1,052,755	1,052,755	1,033,255	19,500
Bond issuance costs	2,609,632	2,609,632	-	2,609,632
<b>Total expenditures</b>	<u>\$ 6,288,815</u>	<u>6,288,815</u>	<u>3,660,470</u>	<u>2,628,345</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ (2,644,310)</u>	<u>(2,644,310)</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 3,724,752
Change in receivables	7,315
Modified accrual basis	<u>\$ 3,732,067</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 3,660,470
Change in payables	-
Modified accrual basis	<u>\$ 3,660,470</u>

See accompanying notes.



## NON-MAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of June 30, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,044,915	\$ -	\$ 1,044,915
Restricted cash and cash equivalents	-	412,800	412,800
Accounts receivable, collectible			
Taxes	-	-	-
Due from other governments	440,205	-	440,205
Other receivables	64,944	-	64,944
Interfund receivables	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ 1,550,064</u>	<u>\$ 412,800</u>	<u>\$ 1,962,864</u>
<b>Liabilities</b>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	426,792	-	426,792
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>426,792</u>	<u>-</u>	<u>426,792</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>426,792</u>	<u>-</u>	<u>426,792</u>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted for:			
General fund	-	-	-
Special revenue	1,123,272	-	1,123,272
Capital projects	-	412,800	412,800
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>1,123,272</u>	<u>412,800</u>	<u>1,536,072</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 1,550,064</u>	<u>\$ 412,800</u>	<u>\$ 1,962,864</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2016

Revenues	Special Revenue	Capital Projects	Total
Property taxes	\$ -	\$ -	\$ -
State grants	625,470	-	625,470
Federal grants	1,550,659	-	1,550,659
Miscellaneous	218,978	750	219,728
Charges for services	212,481	-	212,481
Interest	-	-	-
<b>Total Revenues</b>	<b>2,607,588</b>	<b>750</b>	<b>2,608,338</b>
<b>Expenditures</b>			
Current:			
Instruction	1,079,900	-	1,079,900
Support services			
Students	863,806	-	863,806
Instruction	98,173	-	98,173
General administration	44,886	-	44,886
School administration	33,086	-	33,086
Central services	41,966	-	41,966
Operation & maintenance of plant	-	-	-
Student transportation	19,593	-	19,593
Other support services	-	-	-
Food services operations	115,658	-	115,658
Community services	22,513	-	22,513
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<b>2,319,581</b>	<b>-</b>	<b>2,319,581</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>288,007</b>	<b>750</b>	<b>288,757</b>
<b>Other financing sources (uses)</b>			
Operating transfers	-	-	-
Proceeds from bond issuances	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>288,007</b>	<b>750</b>	<b>288,757</b>
<b>Fund balance beginning of year</b>	<b>835,265</b>	<b>412,050</b>	<b>1,247,315</b>
<b>Prior Period Restatement</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, beginning of year, restated</b>	<b>835,265</b>	<b>412,050</b>	<b>1,247,315</b>
<b>Fund balance end of year</b>	<b>\$ 1,123,272</b>	<b>\$ 412,800</b>	<b>\$ 1,536,072</b>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NON-MAJOR SPECIAL REVENUE FUNDS – FUND DESCRIPTIONS  
JUNE 30, 2016

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. Grants accounted for in the non-major Special Revenue Funds include:

**Athletics (Fund 22000).** This fund is used to account for fees generated at athletic activities throughout the 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.

**Migrant Children Education (Fund 24103).** The purpose of this program is to assist the District in providing a summer school program for migrant students. Federal revenues accounted for in this fund are administered by the New Mexico Public Education Department. Authority for creation of this fund is Chapter I of Title I of the Elementary and Secondary Education Act (ESEA) of 1965 as amended, Public Law 103-382.

**IDEA-B Preschool (Fund 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 age 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.

**IDEA-B Risk Pool (Fund 24120).** It is a reallocation of monies awarded the previous year to IDEA-B but not allocated. It is to be used to pay the excess costs of providing special education and related services to children with disabilities and supplements State, local and federal funds.

**English Language Acquisition (Fund 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.

**Teacher / Principal Training & Recruiting (Fund 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.

**Carl D. Perkins (Funds 24174 and 24176).** The objective of this grant is to provide secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

**Migrant Education Program (Fund 24187).** This fund accounts for the identification and recruitment of migrant students.

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CLOVIS MUNICIPAL SCHOOLS  
NON-MAJOR SPECIAL REVENUE FUNDS – FUND DESCRIPTIONS (CONTINUED)  
JUNE 30, 2016

**Impact Aid Special Education (Fund 25145).** 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 sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

**Title XIX MEDICAID (Fund 25153).** To account for a program providing 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.

**ROTC (Fund 25200).** To account for federal funds received for the implementation of the ROTC program. The authority for creation of this fund is in the New Mexico PED Policies and Procedures Manual.

**ENLACE UNM (Fund 26103).** The Engaging Latino Communities for Education initiative is to provide a path of education to pursue a higher education by collaborating with parents & families, communities, school districts, colleges and universities, professional and community organizations; to identify and nurture leaders and teachers to keep kids in school and prepare them for college.

**Walton Family Foundation (Fund 26148).** This fund initiative is focused on education, workforce development, economic opportunity, environmental sustainability, and health and wellness. The authority for creation of this fund is in the New Mexico PED Policies and Procedures Manual.

**Clovis Municipal Schools Foundation (Fund 26184).** Fund to account for the monies provided to the District to provide additional educational opportunities in and out of the classroom. Funding provided by foundation donation, the authority provided by the Clovis Municipal School Board.

**Albertson's Community Grant (Fund 26217).** This fund is to account for money from the Albertson's community partners program to support school activities.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NON-MAJOR SPECIAL REVENUE FUNDS – FUND DESCRIPTIONS (CONTINUED)  
JUNE 30, 2016

**Dual Credit Instructional Materials (Fund 27103).** To purchase college textbooks for students who dual enroll in college credited courses while still attending high school.

**2012 GO Bond Student Library Fund (Fund 27107).** Funds is used to purchase library books and library supplies for all school sites.

**New Mexico Reads to Lead! (Fund 27114).** Reading Initiative legislative funded.

**Breakfast for Elementary Students (Fund 27155).** The 2005 Legislative General Appropriations Act allocated \$475,000 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

**New Mexico Grown FVV (Fund 27183).** Fund is used to account for an FY14 appropriation for the purchase of New Mexico grown fresh fruits and vegetables.

**Parent Advocacy (Fund 27193).** To account for the availability of a Student- Parent Portal program to every district in NM affording them the opportunity to receive services to develop a student- parent portal. These portals can be used to deliver student information and reports to students and parents online. The authority for creation of this fund is in the New Mexico PED Policies and Procedures Manual.

**Private Direct Grants (Fund 29102).** To account for local grants awarded to provide additional funding for specific projects.

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BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2016

	<i>Fund 22000</i>	<i>Fund 24103</i>	<i>Fund 24109</i>
	<u>Athletics</u>	<u>Migrant Children Education</u>	<u>IDEA-B Preschool</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 170,252	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-
Accounts receivable, collectible			
Taxes	-	-	-
Due from other governments	-	33,699	134
Other receivables	-	-	-
Interfund receivables	-	-	-
Investments	-	-	-
Restricted investments	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ 170,252</u>	<u>\$ 33,699</u>	<u>\$ 134</u>
<b>Liabilities</b>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	33,699	134
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>33,699</u>	<u>134</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>-</u>	<u>33,699</u>	<u>134</u>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted for:			
General fund	-	-	-
Special revenue	170,252	-	-
Capital projects	-	-	-
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>170,252</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 170,252</u>	<u>\$ 33,699</u>	<u>\$ 134</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2016

	<i>Fund 24120</i>	<i>Fund 24153</i>	<i>Fund 24154</i>
	<b>IDEA-B Risk Pool</b>	<b>English Language Acquisition</b>	<b>Teacher/Principal Training &amp; Recruiting</b>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-
Accounts receivable, collectible			
Taxes	-	-	-
Due from other governments	-	24,969	145,341
Other receivables	-	-	-
Interfund receivables	-	-	-
Investments	-	-	-
Restricted investments	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 24,969</u>	<u>\$ 145,341</u>
<b>Liabilities</b>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	24,969	145,341
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>24,969</u>	<u>145,341</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>-</u>	<u>24,969</u>	<u>145,341</u>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted for:			
General fund	-	-	-
Special revenue	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ -</u>	<u>\$ 24,969</u>	<u>\$ 145,341</u>

See accompanying notes.



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2016

	<i>Fund 24174</i> Carl D Perkins Secondary Current	<i>Fund 24187</i> Migrant Regional Recruiting	<i>Fund 24176</i> Carl D Perkins Secondary Redistribution
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-
Accounts receivable, collectible			
Taxes	-	-	-
Due from other governments	17,001	7,941	6,703
Other receivables	-	-	-
Interfund receivables	-	-	-
Investments	-	-	-
Restricted investments	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ 17,001</u>	<u>\$ 7,941</u>	<u>\$ 6,703</u>
<b>Liabilities</b>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	17,001	7,941	6,703
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>17,001</u>	<u>7,941</u>	<u>6,703</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>17,001</u>	<u>7,941</u>	<u>6,703</u>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted for:			
General fund	-	-	-
Special revenue	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 17,001</u>	<u>\$ 7,941</u>	<u>\$ 6,703</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2016

	<i>Fund 25145</i> <b>Impact Aid Special Education</b>	<i>Fund 25153</i> <b>Title XIX Medicaid</b>	<i>Fund 25200</i> <b>ROTC</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 56,109	\$ 774,908	\$ -
Restricted cash and cash equivalents	-	-	-
Accounts receivable, collectible			
Taxes	-	-	-
Due from other governments	-	78,357	-
Other receivables	-	-	-
Interfund receivables	-	-	-
Investments	-	-	-
Restricted investments	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ 56,109</u>	<u>\$ 853,265</u>	<u>\$ -</u>
<b>Liabilities</b>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	-
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted for:			
General fund	-	-	-
Special revenue	56,109	853,265	-
Capital projects	-	-	-
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>56,109</u>	<u>853,265</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 56,109</u>	<u>\$ 853,265</u>	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2016

	<i>Fund 26103</i>	<i>Fund 26148</i>	<i>Fund 26184</i>
	ENLACE UNM	Walton Family Foundation	Clovis Schools Foundation
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 23,646
Restricted cash and cash equivalents	-	-	-
Accounts receivable, collectible			
Taxes	-	-	-
Due from other governments	-	-	-
Other receivables	64,944	-	-
Interfund receivables	-	-	-
Investments	-	-	-
Restricted investments	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ 64,944</u>	<u>\$ -</u>	<u>\$ 23,646</u>
<b>Liabilities</b>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	64,944	-	-
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>64,944</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>64,944</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted for:			
General fund	-	-	-
Special revenue	-	-	23,646
Capital projects	-	-	-
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>23,646</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 64,944</u>	<u>\$ -</u>	<u>\$ 23,646</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2016

	<i>Fund 26217</i> Albertson's Grant	<i>Fund 27103</i> Dual Credit Instructional Materials	<i>Fund 27107</i> 2012 GO Bond Student Library Fund
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-
Accounts receivable, collectible			
Taxes	-	-	-
Due from other governments	-	-	77,542
Other receivables	-	-	-
Interfund receivables	-	-	-
Investments	-	-	-
Restricted investments	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,542</u>
<b>Liabilities</b>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	77,542
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>77,542</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>77,542</u>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted for:			
General fund	-	-	-
Special revenue	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,542</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2016

	<i>Fund 27114</i> NM Reads to Lead	<i>Fund 27141</i> Truancy Initiative PED	<i>Fund 27155</i> Breakfast for Elementary Students
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-
Accounts receivable, collectible			
Taxes	-	-	-
Due from other governments	16,781	8,834	-
Other receivables	-	-	-
Interfund receivables	-	-	-
Investments	-	-	-
Restricted investments	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ 16,781</u>	<u>\$ 8,834</u>	<u>\$ -</u>
<b>Liabilities</b>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	16,781	8,834	-
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>16,781</u>	<u>8,834</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>16,781</u>	<u>8,834</u>	<u>-</u>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted for:			
General fund	-	-	-
Special revenue	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 16,781</u>	<u>\$ 8,834</u>	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2016

	<i>Fund 27166</i> <b>Kindergarten Three Plus</b>	<i>Fund 27168</i> <b>After School Enrichment Program</b>	<i>Fund 27183</i> <b>NM Grown Fresh Fruits &amp; Vegetables</b>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-
Accounts receivable, collectible			
Taxes	-	-	-
Due from other governments	-	22,903	-
Other receivables	-	-	-
Interfund receivables	-	-	-
Investments	-	-	-
Restricted investments	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 22,903</u>	<u>\$ -</u>
<b>Liabilities</b>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	22,903	-
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>22,903</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>-</u>	<u>22,903</u>	<u>-</u>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted for:			
General fund	-	-	-
Special revenue	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ -</u>	<u>\$ 22,903</u>	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2016

	<i>Fund 27193</i>	<i>Fund 29102</i>	
	<b>Parent</b>	<b>Private</b>	
	<b>Advocacy</b>	<b>Direct</b>	<b>Total</b>
		<b>Grants</b>	
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 20,000	\$ 1,044,915
Restricted cash and cash equivalents	-	-	-
Accounts receivable, collectible			
Taxes	-	-	-
Due from other governments	-	-	440,205
Other receivables	-	-	64,944
Interfund receivables	-	-	-
Investments	-	-	-
Restricted investments	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 1,550,064</u>
<b>Liabilities</b>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	426,792
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>426,792</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>426,792</u>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted for:			
General fund	-	-	-
Special revenue	-	20,000	1,123,272
Capital projects	-	-	-
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>-</u>	<u>20,000</u>	<u>1,123,272</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 1,550,064</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2016

	<i>Fund 22000</i>	<i>Fund 24103</i>	<i>Fund 24109</i>
	<u>Athletics</u>	<u>Migrant Children Education</u>	<u>IDEA-B Preschool</u>
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	-
Federal grants	-	80,752	75,966
Miscellaneous	70	-	-
Charges for services	212,481	-	-
Interest	-	-	-
<b>Total Revenues</b>	<u>212,551</u>	<u>80,752</u>	<u>75,966</u>
<b>Expenditures</b>			
Current:			
Instruction	181,816	57,716	2,304
Support services			
Students	-	10,321	71,579
Instruction	-	-	-
General administration	-	5,152	2,083
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community services	-	7,563	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>181,816</u>	<u>80,752</u>	<u>75,966</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	30,735	-	-
<b>Other financing sources (uses)</b>			
Operating transfers	-	-	-
Proceeds from bond issuances	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	30,735	-	-
<b>Fund balance beginning of year (deficit)</b>	139,517	-	-
<b>Prior Period Restatement</b>	-	-	-
<b>Fund balance, beginning of year, restated</b>	<u>139,517</u>	<u>-</u>	<u>-</u>
<b>Fund balance end of year</b>	<u>\$ 170,252</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUND:  
For the Year Ended June 30, 2016

	<i>Fund 24120</i>	<i>Fund 24153</i>	<i>Fund 24154</i>
	<b>IDEA-B</b>	<b>English</b>	<b>Teacher/Principal</b>
<b>Revenues</b>	<b>Risk Pool</b>	<b>Language</b>	<b>Training &amp;</b>
		<b>Acquisition</b>	<b>Recruiting</b>
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	-
Federal grants	-	56,167	396,852
Miscellaneous	-	-	-
Charges for services	-	-	-
Interest	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>56,167</u>	<u>396,852</u>
<b>Expenditures</b>			
Current:			
Instruction	-	43,471	313,800
Support services			
Students	-	-	976
Instruction	-	-	-
General administration	-	7,978	22,080
School administration	-	4,718	18,030
Central services	-	-	41,966
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community services	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>56,167</u>	<u>396,852</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	-
<b>Other financing sources (uses)</b>			
Operating transfers	-	-	-
Proceeds from bond issuances	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	-	-	-
<b>Fund balance beginning of year (deficit)</b>	-	-	-
<b>Prior Period Restatement</b>	-	-	-
<b>Fund balance, beginning of year, restated</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUND:  
For the Year Ended June 30, 2016

	Fund 24174 Carl D Perkins Secondary Current	Fund 24176 Carl D Perkins Secondary Redistribution	Fund 24187 Migrant Regional Recruiting
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	-
Federal grants	69,620	27,967	37,672
Miscellaneous	-	-	-
Charges for services	-	-	-
Interest	-	-	-
<b>Total Revenues</b>	<u>69,620</u>	<u>27,967</u>	<u>37,672</u>
<b>Expenditures</b>			
Current:			
Instruction	67,711	25,866	-
Support services			
Students	-	-	34,885
Instruction	-	-	-
General administration	1,909	767	1,033
School administration	-	1,334	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	1,754
Other support services	-	-	-
Food services operations	-	-	-
Community services	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>69,620</u>	<u>27,967</u>	<u>37,672</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	-
<b>Other financing sources (uses)</b>			
Operating transfers	-	-	-
Proceeds from bond issuances	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	-	-	-
<b>Fund balance beginning of year (deficit)</b>	-	-	-
<b>Prior Period Restatement</b>	-	-	-
<b>Fund balance, beginning of year, restated</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUND:  
For the Year Ended June 30, 2016

	<i>Fund 25145</i> <b>Impact Aid Special Education</b>	<i>Fund 25153</i> <b>Title XIX Medicaid</b>	<i>Fund 25200</i> <b>ROTC</b>
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	-
Federal grants	49,347	739,811	16,505
Miscellaneous	-	-	(2,741)
Charges for services	-	-	-
Interest	-	-	-
<b>Total Revenues</b>	<u>49,347</u>	<u>739,811</u>	<u>13,764</u>
<b>Expenditures</b>			
Current:			
Instruction	-	-	13,764
Support services			
Students	80,682	442,080	-
Instruction	9,940	-	-
General administration	1,428	-	-
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community services	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>92,050</u>	<u>442,080</u>	<u>13,764</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(42,703)	297,731	-
<b>Other financing sources (uses)</b>			
Operating transfers	-	-	-
Proceeds from bond issuances	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	(42,703)	297,731	-
<b>Fund balance beginning of year (deficit)</b>	98,812	555,534	-
<b>Prior Period Restatement</b>	-	-	-
<b>Fund balance, beginning of year, restated</b>	<u>98,812</u>	<u>555,534</u>	<u>-</u>
<b>Fund balance end of year</b>	<u>\$ 56,109</u>	<u>\$ 853,265</u>	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUND:  
For the Year Ended June 30, 2016

	<i>Fund 26103</i>	<i>Fund 26148</i>	<i>Fund 26184</i>
	ENLACE UNM	Walton Family Foundation	Clovis Schools Foundation
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	-
Federal grants	-	-	-
Miscellaneous	187,336	-	32,930
Charges for services	-	-	-
Interest	-	-	-
<b>Total Revenues</b>	<u>187,336</u>	<u>-</u>	<u>32,930</u>
<b>Expenditures</b>			
Current:			
Instruction	75,111	924	29,283
Support services			
Students	94,819	-	-
Instruction	-	-	-
General administration	2,456	-	-
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community services	14,950	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>187,336</u>	<u>924</u>	<u>29,283</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	(924)	3,647
<b>Other financing sources (uses)</b>			
Operating transfers	-	-	-
Proceeds from bond issuances	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	-	(924)	3,647
<b>Fund balance beginning of year (deficit)</b>	-	924	19,999
<b>Prior Period Restatement</b>	-	-	-
<b>Fund balance, beginning of year, restated</b>	<u>-</u>	<u>924</u>	<u>19,999</u>
<b>Fund balance end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,646</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUND:  
For the Year Ended June 30, 2016

	<i>Fund 26217</i>	<i>Fund 27103</i>	<i>Fund 27107</i>
	<b>Albertson's</b>	<b>Dual Credit</b>	<b>2012 GO Bond</b>
<b>Revenues</b>	<b>Grant</b>	<b>Instructional</b>	<b>Student Library</b>
		<b>Materials</b>	<b>Fund</b>
Property taxes	\$ -	\$ -	\$ -
State grants	-	27,585	85,541
Federal grants	-	-	-
Miscellaneous	-	-	-
Charges for services	-	-	-
Interest	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>27,585</b>	<b>85,541</b>
<b>Expenditures</b>			
Current:			
Instruction	219	27,585	-
Support services			
Students	-	-	-
Instruction	-	-	85,541
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	-	-	-
<b>Total Expenditures</b>	<b>219</b>	<b>27,585</b>	<b>85,541</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(219)</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>			
Operating transfers	-	-	-
Proceeds from bond issuances	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(219)</b>	<b>-</b>	<b>-</b>
<b>Fund balance beginning of year (deficit)</b>	<b>219</b>	<b>-</b>	<b>-</b>
<b>Prior Period Restatement</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, beginning of year, restated</b>	<b>219</b>	<b>-</b>	<b>-</b>
<b>Fund balance end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUND:  
For the Year Ended June 30, 2016

	<i>Fund 27114</i>	<i>Fund 27141</i>	<i>Fund 27155</i>
	<b>NM Reads to Lead</b>	<b>Truancy Initiative PED</b>	<b>Breakfast for Elementary Students</b>
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
State grants	159,279	122,671	115,658
Federal grants	-	-	-
Miscellaneous	-	-	-
Charges for services	-	-	-
Interest	-	-	-
<b>Total Revenues</b>	<u>159,279</u>	<u>122,671</u>	<u>115,658</u>
<b>Expenditures</b>			
Current:			
Instruction	159,279	-	-
Support services			
Students	-	122,671	-
Instruction	-	-	-
General administration	-	-	-
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	115,658
Community services	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>159,279</u>	<u>122,671</u>	<u>115,658</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	-
<b>Other financing sources (uses)</b>			
Operating transfers	-	-	-
Proceeds from bond issuances	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	-	-	-
<b>Fund balance beginning of year (deficit)</b>	-	-	-
<b>Prior Period Restatement</b>	-	-	-
<b>Fund balance, beginning of year, restated</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUND:  
For the Year Ended June 30, 2016

	<i>Fund 27166</i> <b>Kindergarten Three Plus</b>	<i>Fund 27168</i> <b>After School Enrichment Program</b>	<i>Fund 27183</i> <b>NM Grown Fresh Fruits &amp; Vegetables</b>
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
State grants	79,881	34,855	-
Federal grants	-	-	-
Miscellaneous	-	-	-
Charges for services	-	-	-
Interest	-	-	-
<b>Total Revenues</b>	<u>79,881</u>	<u>34,855</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Instruction	48,109	31,299	-
Support services			
Students	5,793	-	-
Instruction	2,692	-	-
General administration	-	-	-
School administration	5,448	3,556	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	17,839	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community services	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>79,881</u>	<u>34,855</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	-
<b>Other financing sources (uses)</b>			
Operating transfers	-	-	-
Proceeds from bond issuances	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	-	-	-
<b>Fund balance beginning of year (deficit)</b>	-	-	-
<b>Prior Period Restatement</b>	-	-	-
<b>Fund balance, beginning of year, restated</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUND:  
For the Year Ended June 30, 2016

	<i>Fund 27193</i>	<i>Fund 29102</i>	
	<b>Parent</b>	<b>Private</b>	
	<b>Advocacy</b>	<b>Direct</b>	<b>Total</b>
Revenues		Grants	
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	625,470
Federal grants	-	-	1,550,659
Miscellaneous	-	1,383	218,978
Charges for services	-	-	212,481
Interest	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>1,383</u>	<u>2,607,588</u>
Expenditures			
Current:			
Instruction	-	1,643	1,079,900
Support services			
Students	-	-	863,806
Instruction	-	-	98,173
General administration	-	-	44,886
School administration	-	-	33,086
Central services	-	-	41,966
Operation & maintenance of plant	-	-	-
Student transportation	-	-	19,593
Other support services	-	-	-
Food services operations	-	-	115,658
Community services	-	-	22,513
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>1,643</u>	<u>2,319,581</u>
Excess (deficiency) of revenues over (under) expenditures	-	(260)	288,007
Other financing sources (uses)			
Operating transfers	-	-	-
Proceeds from bond issuances	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(260)	288,007
Fund balance beginning of year (deficit)	-	20,260	835,265
Prior Period Restatement	-	-	-
Fund balance, beginning of year, restated	<u>-</u>	<u>20,260</u>	<u>835,265</u>
Fund balance end of year	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 1,123,272</u>

See accompanying notes.



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
ATHLETICS SPECIAL REVENUE FUND (22000)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	70	70
Charges for services	235,000	235,000	212,481	(22,519)
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ 235,000</b>	<b>235,000</b>	<b>212,551</b>	<b>(22,449)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 375,091	375,091	181,816	193,275
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	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 375,091</b>	<b>375,091</b>	<b>181,816</b>	<b>193,275</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ (140,091)</b>	<b>(140,091)</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 212,551
Change in receivables	-
Modified accrual basis	<b>\$ 212,551</b>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 181,816
Change in payables	-
Modified accrual basis	<b>\$ 181,816</b>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
MIGRANT CHILDREN EDUCATION SPECIAL REVENUE FUND (24103)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	83,803	83,803	81,998	(1,805)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>\$ 83,803</u>	<u>83,803</u>	<u>81,998</u>	<u>(1,805)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 41,427	57,864	57,716	148
Support services				
Students	27,082	10,725	10,321	404
Instruction	-	-	-	-
General administration	13,794	5,514	5,152	362
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	1,500	9,700	7,563	2,137
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>\$ 83,803</u>	<u>83,803</u>	<u>80,752</u>	<u>3,051</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 81,998
Change in receivables	<u>(1,246)</u>
Modified accrual basis	<u>\$ 80,752</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 80,752
Change in payables	<u>-</u>
Modified accrual basis	<u>\$ 80,752</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
IDEA-B PRESCHOOL SPECIAL REVENUE FUND (24109)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	76,934	88,012	76,542	(11,470)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>\$ 76,934</u>	<u>88,012</u>	<u>76,542</u>	<u>(11,470)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 6,464	6,464	2,304	4,160
Support services				
Students	68,300	79,066	71,579	7,487
Instruction	-	-	-	-
General administration	2,170	2,482	2,083	399
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>\$ 76,934</u>	<u>88,012</u>	<u>75,966</u>	<u>12,046</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 76,542
Change in receivables	<u>(576)</u>
Modified accrual basis	<u>\$ 75,966</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 75,966
Change in payables	<u>-</u>
Modified accrual basis	<u>\$ 75,966</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
IDEA-B RISK POOL SPECIAL REVENUE FUND (24120)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	-	1,635	1,849	214
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>1,635</b>	<b>1,849</b>	<b>214</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ -	-	-	-
Support services				
Students	-	1,589	-	1,589
Instruction	-	-	-	-
General administration	-	46	-	46
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ -</b>	<b>1,635</b>	<b>-</b>	<b>1,635</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 1,849
Change in receivables	(1,849)
Modified accrual basis	<u>\$ -</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ -
Change in payables	-
Modified accrual basis	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND (24153)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	60,125	93,831	31,814	(62,017)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ 60,125</b>	<b>93,831</b>	<b>31,814</b>	<b>(62,017)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 52,975	74,820	43,471	31,349
Support services				
Students	-	4,000	-	4,000
Instruction	-	-	-	-
General administration	4,150	10,011	7,978	2,033
School administration	3,000	5,000	4,718	282
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 60,125</b>	<b>93,831</b>	<b>56,167</b>	<b>37,664</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 31,814
Change in receivables	24,353
Modified accrual basis	<u>\$ 56,167</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 56,167
Change in payables	-
Modified accrual basis	<u>\$ 56,167</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
TEACHER/PRINCIPAL TRAINING/RECRUITING SPECIAL REVENUE FUND (24154)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	355,260	592,616	284,051	(308,565)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ 355,260</b>	<b>592,616</b>	<b>284,051</b>	<b>(308,565)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 287,498	417,498	313,800	103,698
Support services				
Students	-	8,000	976	7,024
Instruction	-	-	-	-
General administration	14,744	76,254	22,080	54,174
School administration	10,000	47,846	18,030	29,816
Central services	43,018	43,018	41,966	1,052
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 355,260</b>	<b>592,616</b>	<b>396,852</b>	<b>195,764</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 284,051
Change in receivables	112,801
Modified accrual basis	<u>\$ 396,852</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 396,852
Change in payables	-
Modified accrual basis	<u>\$ 396,852</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
CARL D PERKINS SECONDARY CURRENT SPECIAL REVENUE FUND (24174)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	77,445	87,049	85,911	(1,138)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ 77,445</b>	<b>87,049</b>	<b>85,911</b>	<b>(1,138)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 75,321	84,659	67,711	16,948
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	2,124	2,390	1,909	481
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 77,445</b>	<b>87,049</b>	<b>69,620</b>	<b>17,429</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 85,911
Change in receivables	(16,291)
Modified accrual basis	<u>\$ 69,620</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 69,620
Change in payables	-
Modified accrual basis	<u>\$ 69,620</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
CARL D PERKINS SECONDARY REDISTRIBUTION SPECIAL REVENUE FUND (24176)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	21,750	36,389	21,264	(15,125)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ 21,750</b>	<b>36,389</b>	<b>21,264</b>	<b>(15,125)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 21,150	32,387	25,866	6,521
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	600	1,002	767	235
School administration	-	3,000	1,334	1,666
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 21,750</b>	<b>36,389</b>	<b>27,967</b>	<b>8,422</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 21,264
Change in receivables	6,703
Modified accrual basis	<u>\$ 27,967</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 27,967
Change in payables	-
Modified accrual basis	<u>\$ 27,967</u>

See accompanying notes.



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
MIGRANT REGIONAL RECRUITING SPECIAL REVENUE FUND (24187)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	-	41,375	29,731	(11,644)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>41,375</b>	<b>29,731</b>	<b>(11,644)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ -	-	-	-
Support services				
Students	-	38,190	34,885	3,305
Instruction	-	-	-	-
General administration	-	1,135	1,033	102
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	200	-	200
Student transportation	-	1,850	1,754	96
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ -</b>	<b>41,375</b>	<b>37,672</b>	<b>3,703</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 29,731
Change in receivables	(1,764)
Modified accrual basis	<u>\$ 27,967</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 37,672
Change in payables	(9,705)
Modified accrual basis	<u>\$ 27,967</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND (25145)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	43,470	43,470	49,347	5,877
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ 43,470</b>	<b>43,470</b>	<b>49,347</b>	<b>5,877</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 43,548	-	-	-
Support services				
Students	95,211	127,759	80,682	47,077
Instruction	-	11,000	9,940	1,060
General administration	1,427	1,427	1,427	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 140,186</b>	<b>140,186</b>	<b>92,049</b>	<b>48,137</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ (96,716)</b>	<b>(96,716)</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 49,347
Change in receivables	-
Modified accrual basis	<u>\$ 49,347</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 92,049
Change in payables	1
Modified accrual basis	<u>\$ 92,050</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
TITLE XIX MEDICAID SPECIAL REVENUE FUND (25153)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	460,000	460,000	745,664	285,664
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ 460,000</b>	<b>460,000</b>	<b>745,664</b>	<b>285,664</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ -	-	-	-
Support services				
Students	747,632	747,632	442,080	305,552
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	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 747,632</b>	<b>747,632</b>	<b>442,080</b>	<b>305,552</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ (287,632)</b>	<b>(287,632)</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 745,664
Change in receivables	(5,853)
Modified accrual basis	<u>\$ 739,811</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 442,080
Change in payables	-
Modified accrual basis	<u>\$ 442,080</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
ROTC SPECIAL REVENUE FUND (25200)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	-	15,836	16,505	669
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>15,836</b>	<b>16,505</b>	<b>669</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 1,796	17,632	13,764	3,868
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	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 1,796</b>	<b>17,632</b>	<b>13,764</b>	<b>3,868</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ (1,796)</b>	<b>(1,796)</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 16,505
Change in receivables	(2,741)
Modified accrual basis	<u>\$ 13,764</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 13,764
Change in payables	-
Modified accrual basis	<u>\$ 13,764</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
ENLACE UNM SPECIAL REVENUE FUND (26103)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	200,000	200,000	186,716	(13,284)
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ 200,000</b>	<b>200,000</b>	<b>186,716</b>	<b>(13,284)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 68,876	79,176	75,111	4,065
Support services				
Students	111,009	100,835	94,819	6,016
Instruction	-	-	-	-
General administration	2,615	2,489	2,456	33
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	17,500	17,500	14,950	2,550
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 200,000</b>	<b>200,000</b>	<b>187,336</b>	<b>12,664</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 186,716
Change in receivables	620
Modified accrual basis	<b>\$ 187,336</b>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 187,336
Change in payables	-
Modified accrual basis	<b>\$ 187,336</b>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
WALTON FAMILY FOUNDATION SPECIAL REVENUE FUND (26148)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 1,226	1,226	924	302
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	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 1,226</b>	<b>1,226</b>	<b>924</b>	<b>302</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ (1,226)</b>	<b>(1,226)</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ -
Change in receivables	-
Modified accrual basis	<b>\$ -</b>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 924
Change in payables	-
Modified accrual basis	<b>\$ 924</b>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
CLOVIS MUNICIPAL SCHOOLS FOUNDATION SPECIAL REVENUE FUND (26184)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	32,930	32,929	(1)
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>32,930</b>	<b>32,929</b>	<b>(1)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 18,688	51,618	29,283	22,335
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	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 18,688</b>	<b>51,618</b>	<b>29,283</b>	<b>22,335</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ (18,688)</b>	<b>(18,688)</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 32,929
Change in receivables	1
Modified accrual basis	<u>\$ 32,930</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 29,283
Change in payables	-
Modified accrual basis	<u>\$ 29,283</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
ALBERTSON'S GRANT SPECIAL REVENUE FUND (26217)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 219	219	219	-
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	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 219</b>	<b>219</b>	<b>219</b>	<b>-</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ (219)</b>	<b>(219)</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ -
Change in receivables	-
Modified accrual basis	<b>\$ -</b>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 219
Change in payables	-
Modified accrual basis	<b>\$ 219</b>

See accompanying notes.



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
DUAL CREDIT INSTRUCTION MATERIALS SPECIAL REVENUE FUND (27103)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	27,585	33,827	6,242
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>27,585</b>	<b>33,827</b>	<b>6,242</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ -	27,585	27,585	-
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	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ -</b>	<b>27,585</b>	<b>27,585</b>	<b>-</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 33,827
Change in receivables	(6,242)
Modified accrual basis	<u>\$ 27,585</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 27,585
Change in payables	-
Modified accrual basis	<u>\$ 27,585</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
2012 GO BOND STUDENT LIBRARY FUND SPECIAL REVENUE FUND (27107)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	87,358	85,542	66,234	(19,308)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ 87,358</b>	<b>85,542</b>	<b>66,234</b>	<b>(19,308)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ -	-	-	-
Support services				
Students	-	-	-	-
Instruction	87,358	85,542	85,541	1
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	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 87,358</b>	<b>85,542</b>	<b>85,541</b>	<b>1</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 66,234
Change in receivables	19,307
Modified accrual basis	<u>\$ 85,541</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 85,541
Change in payables	-
Modified accrual basis	<u>\$ 85,541</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NEW MEXICO READS TO LEAD SPECIAL REVENUE FUND (27114)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	162,500	162,500	142,498	(20,002)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>\$ 162,500</u>	<u>162,500</u>	<u>142,498</u>	<u>(20,002)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 162,500	162,500	159,279	3,221
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	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>\$ 162,500</u>	<u>162,500</u>	<u>159,279</u>	<u>3,221</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 142,498
Change in receivables	16,781
Modified accrual basis	<u>\$ 159,279</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 159,279
Change in payables	-
Modified accrual basis	<u>\$ 159,279</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
TRUANCY INITIATIVE PED SPECIAL REVENUE FUND (27141)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	180,000	113,837	(66,163)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>180,000</b>	<b>113,837</b>	<b>(66,163)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ -	-	-	-
Support services				
Students	-	180,000	122,671	57,329
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	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ -</b>	<b>180,000</b>	<b>122,671</b>	<b>57,329</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 113,837
Change in receivables	45,442
Modified accrual basis	<u>\$ 159,279</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 122,671
Change in payables	36,608
Modified accrual basis	<u>\$ 159,279</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND (27155)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	117,926	115,658	(2,268)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>117,926</b>	<b>115,658</b>	<b>(2,268)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ -	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	117,926	115,658	2,268
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ -</b>	<b>117,926</b>	<b>115,658</b>	<b>2,268</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 115,658
Change in receivables	-
Modified accrual basis	<u>\$ 115,658</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 115,658
Change in payables	-
Modified accrual basis	<u>\$ 115,658</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
KINDERGARTEN - THREE PLUS SPECIAL REVENUE FUND (27166)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	148,409	79,882	79,881	(1)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>\$ 148,409</u>	<u>79,882</u>	<u>79,881</u>	<u>(1)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 102,715	48,110	48,109	1
Support services				
Students	10,243	5,793	5,793	-
Instruction	2,724	2,692	2,692	-
General administration	-	-	-	-
School administration	13,727	5,448	5,448	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	19,000	17,839	17,839	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>\$ 148,409</u>	<u>79,882</u>	<u>79,881</u>	<u>1</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 79,881
Change in receivables	35,777
Modified accrual basis	<u>\$ 115,658</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 79,881
Change in payables	35,777
Modified accrual basis	<u>\$ 115,658</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
AFTER SCHOOL ENRICHMENT PROGRAM SPECIAL REVENUE FUND (27168)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	38,066	11,953	(26,113)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>38,066</b>	<b>11,953</b>	<b>(26,113)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ -	34,546	31,299	3,247
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	3,520	3,556	(36)
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ -</b>	<b>38,066</b>	<b>34,855</b>	<b>3,211</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 11,953
Change in receivables	103,705
Modified accrual basis	<u>\$ 115,658</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 34,855
Change in payables	80,803
Modified accrual basis	<u>\$ 115,658</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NEW MEXICO GROWN FVV SPECIAL REVENUE FUND (27183)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	8,946	-	(8,946)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>8,946</b>	<b>-</b>	<b>(8,946)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ -	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	8,946	-	8,946
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ -</b>	<b>8,946</b>	<b>-</b>	<b>8,946</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ -
Change in receivables	-
Modified accrual basis	<u>\$ -</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ -
Change in payables	-
Modified accrual basis	<u>\$ -</u>

See accompanying notes.



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
PARENT ADVOCACY SPECIAL REVENUE FUND (27193)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	18,981	18,981
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>-</b>	<b>18,981</b>	<b>18,981</b>
<b>EXPENDITURES</b>				
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	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>-</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 18,981
Change in receivables	(18,981)
Modified accrual basis	<u>\$ -</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ -
Change in payables	-
Modified accrual basis	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
PRIVATE DIRECT GRANTS SPECIAL REVENUE FUND (29102)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	5,995	1,383	(4,612)
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>5,995</b>	<b>1,383</b>	<b>(4,612)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 20,010	26,005	1,643	24,362
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	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 20,010</b>	<b>26,005</b>	<b>1,643</b>	<b>24,362</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ (20,010)</b>	<b>(20,010)</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 1,383
Change in receivables	-
Modified accrual basis	<u>\$ 1,383</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ 1,643
Change in payables	-
Modified accrual basis	<u>\$ 1,643</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NON MAJOR CAPITAL PROJECTS FUNDS– FUND DESCRIPTIONS  
JUNE 30, 2016

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

**Public Schools Capital Outlay (Fund 31200).** This fund is used to account for Critical Capital Outlay funds and other special capital outlay funds received from the State of New Mexico. The funds are restricted for the purposes outlined in the applicable legislation under which the funds were approved. This generally includes construction of new schools or improvements to existing schools.

**Special Capital Outlay - Local (Fund 31300).** This Fund is used to account revenues that are derived from local sources such as the sale of a building.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
As of June 30, 2016

	<i>Fund 31200</i>	<i>Fund 31300</i>	
	Public School	Public School	
	Capital Outlay	Capital Outlay	
		Local	Total
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	412,800	412,800
Accounts receivable, collectible			-
Taxes	-	-	-
Due from other governments	-	-	-
Other receivables	-	-	-
Interfund receivables	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 412,800</u>	<u>\$ 412,800</u>
<b>Liabilities</b>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	-
Unearned revenues	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Delinquent property taxes	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted for:			
General fund	-	-	-
Special revenue	-	-	-
Capital projects	-	412,800	412,800
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>-</u>	<u>412,800</u>	<u>412,800</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ -</u>	<u>\$ 412,800</u>	<u>\$ 412,800</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS  
For the Year Ended June 30, 2016

	<i>Fund 31200</i>	<i>Fund 31300</i>	
	Public School	Public School	
	Capital Outlay	Capital Outlay	
Revenues		Local	Total
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	-
Federal grants	-	-	-
Miscellaneous	-	750	750
Charges for services	-	-	-
Interest	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>750</u>	<u>750</u>
<b>Expenditures</b>			
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	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	750	750
<b>Other financing sources (uses)</b>			
Operating transfers	-	-	-
Proceeds from bond issues	-	-	-
Bond underwriter discount	-	-	-
Bond underwriter premium	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	-	750	750
<b>Fund balance beginning of year</b>	<u>-</u>	<u>412,050</u>	<u>412,050</u>
<b>Fund balance end of year</b>	<u>\$ -</u>	<u>\$ 412,800</u>	<u>\$ 412,800</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECT FUND (31200)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
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	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ -</u>	<u>-</u>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ -
Change in receivables	-
Modified accrual basis	<u>\$ -</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ -
Change in payables	-
Modified accrual basis	<u>\$ -</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
PUBLIC SCHOOL CAPITAL OUTLAY - LOCAL CAPITAL PROJECT FUND (31300)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ -	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	750	750
Charges for services	-	-	-	-
Interest	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>-</b>	<b>750</b>	<b>750</b>
<b>EXPENDITURES</b>				
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	412,050	412,050	-	412,050
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 412,050</b>	<b>412,050</b>	<b>-</b>	<b>412,050</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ (412,050)</b>	<b>(412,050)</b>		

Reconciliation of budgetary basis to modified accrual statements

<b>REVENUES</b>	
Budgetary basis	\$ 750
Change in receivables	-
Modified accrual basis	<u>\$ 750</u>
<b>EXPENDITURES</b>	
Budgetary basis	\$ -
Change in payables	-
Modified accrual basis	<u>\$ -</u>

See accompanying notes.

## OTHER SUPPLEMENTARY INFORMATION



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
AGENCY FUND  
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
For the Year Ended June 30, 2016

	Balance 6/30/2015	Additions	Deletions	Balance 6/30/2016
Barry Elementary	\$ 17,306	\$ 9,956	\$ 15,833	\$ 11,428
Bella Vista Elementary	9,452	8,538	6,541	11,449
Cameo Elementary	20,560	11,576	18,214	13,922
Central Office	162,579	54,633	114,895	102,317
Choices School	1,498	747	1,252	993
Clovis High School	417,254	1,056,462	1,051,484	422,232
Freshman Academy	50,905	87,253	80,002	58,156
Gattis Middle School	54,686	113,540	108,520	59,707
Highland Elementary	9,192	20,587	13,661	16,118
James Bickley Elementary	13,907	10,245	8,707	15,445
Lacasita Elementary	9,541	26,527	19,972	16,096
Lincoln Jackson Elementary	17,174	26,713	23,124	20,763
Lockwood Elementary	15,365	22,741	26,878	11,228
Los Niño's Intervention	37,552	33,215	23,800	46,967
Marshall Junior High	18,779	79,713	61,509	36,983
Mesa Elementary	32,947	78,033	65,909	45,071
Parkview Elementary	10,659	41,514	34,894	17,279
Ranchvale Elementary	25,264	32,324	44,780	12,808
Sandia Elementary	22,370	32,619	28,551	26,438
Scholarship	157,233	5,852	4,349	158,736
SSC	1,123	1,324	941	1,506
Yucca Junior High	68,263	76,142	96,573	47,832
Zia Elementary	51,297	76,388	74,434	53,251
<b>Total All Schools</b>	<u>\$ 1,224,906</u>	<u>\$ 1,906,642</u>	<u>\$ 1,924,823</u>	<u>\$ 1,206,725</u>

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF COLLATERAL PLEDGED BY  
DEPOSITORY FOR PUBLIC FUNDS  
As of June 30, 2016

Name of Depository	Description of Pledged Collateral	Fair Market Value 6/30/2016	Name and Location of SafeKeeper
Citizen's Bank of Clovis	GNMA II Pool #MA0213 CUSIP 36179MGW4 3.0% Due 7/20/2042	\$ 1,316,036	Texas Independent Bank Dallas, Texas
Citizen's Bank of Clovis	GNMA II Pool #MA0775 CUSIP 36179M2G4 3.0% Due 2/20/2043	1,882,474	Texas Independent Bank Dallas, Texas
Citizen's Bank of Clovis	GNR 2012-17 CD CUSIP 38378DBL8 4.0% Due 09/20/2040	2,193,624	Texas Independent Bank Dallas, Texas
Citizen's Bank of Clovis	GNMA MA3688 CUSIP 36179SCZ8 2.0% Due 05/20/2046	3,554,074	Texas Independent Bank Dallas, Texas
Citizen's Bank of Clovis	GNMA MA3610 CUSIP 36179SAK3 3.0% Due 03/20/2046	3,063,269	Texas Independent Bank Dallas, Texas
Citizen's Bank of Clovis	GNR 2013-41 KE CUSIP 38378JR79 3.0% Due 10/20/2042	<u>1,625,734</u>	Texas Independent Bank Dallas, Texas
Subtotal Citizen's Bank of Clovis		<u>13,635,211</u>	
New Mexico Bank & Trust	FNR 2014-2 JP CUSIP 3136AJCS3 6.06% Due 02/25/2044	2,151,221	SunTrust Bank Atlanta, Georgia
New Mexico Bank & Trust	FNMA Pool AD0570 CUSIP 31418MT44 5.5% Due 08/01/2037	540,766	SunTrust Bank Atlanta, Georgia
New Mexico Bank & Trust	GNMA POOL 658185 CUSIP 36294SF28 4.5% Due 6/15/2040	<u>24,506</u>	SunTrust Bank Atlanta, Georgia
Subtotal New Mexico Bank & Trust		<u>2,716,493</u>	
Western Bank of Clovis	FHLB 313380MJ3 CUSIP 485000895 3.180% Due 09/20/2030	1,500,000	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	FNMA AR2626, 3138NY4L6 CUSIP 1393000061 2.5000% Due 2/01/2043	\$ 993,444	Federal Home Loan Bank Dallas, Texas

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF COLLATERAL PLEDGED BY  
DEPOSITORY FOR PUBLIC FUNDS  
As of June 30, 2016

Name of Depository	Description of Pledged Collateral	Fair Market Value 6/30/2016	Name and Location of SafeKeeper
Western Bank of Clovis	FNMA MA0614, 31417YVG9 CUSIP 1393000034 4.000% Due 1/1/2041	\$ 178,958	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	FNMA 2496, 31418BX27 CUSIP 1393000059 3.000% Due 01/01/2036	1,950,864	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	GN II 004597, 36202FDA1 CUSIP 9932002552 4.000% Due 12/20/2039	185,340	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	GNMA II ARM #008062, 36202J5X2 CUSIP 3890013566 2.000% Due 10/20/2022	20,072	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	GNMA II ARM #008096, 36202J7H5 CUSIP 3890014163 2.000% Due 12/20/2022	26,701	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	GNMA II ARM #008889, 36202K2W4 CUSIP 4321014354 2.500% Due 12/20/2021	20,122	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	GNMA II 080781, 36225C2P0 CUSIP 3890015244 2.000% Due 12/20/2033	19,811	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	GNMA II ARM 080156, 36225CE69 CUSIP 812000061 2.000% Due 1/20/2028	15,791	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	GNMA II ARM 080204, 36225CGN0 CUSIP 4321014313 1.750% Due 6/20/2028	15,565	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	GNMA II ARM 080230, 36225CHG4 CUSIP 3890009556 2.000% Due 10/20/2028	39,281	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	GNMA II ARM 080272, 36225CJS6 CUSIP 4321014314 1.750% Due 4/20/2029	17,961	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	GECC 36962G3U6 CUSIP 2562000144 5.625% Due 5/01/2018	\$ 325,200	Federal Home Loan Bank Dallas, Texas

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF COLLATERAL PLEDGED BY  
DEPOSITORY FOR PUBLIC FUNDS  
As of June 30, 2016

Name of Depository	Description of Pledged Collateral	Fair Market Value 6/30/2016	Name and Location of SafeKeeper
Western Bank of Clovis	SBAP 2010-20D 1, 83162CTE3 CUSIP 190006492 Variable Int Due 04/01/2030	\$ 538,963	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	SBAP 2011-20 1, 83162CUG6 CUSIP 2562000141 2.850% Due 09/01/2031	354,109	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	SBAP 2012-20B 1, 83162CUP6 CUSIP 1393000037 Variable Int Due 02/01/2032	292,985	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	Wells Fargo MTN 94974BFD7 CUSIP 2562000149 2.100% Due 05/18/2017	302,430	Federal Home Loan Bank Dallas, Texas
Western Bank of Clovis	SBAP 2009-20 F 1, 83162CSP9 CUSIP 1393000022 Variable Int Due 06/01/2029	<u>243,854</u>	Federal Home Loan Bank Dallas, Texas
Subtotal Western Bank of Clovis		<u>7,041,451</u>	
Bank of Clovis	West Las Vegas SD #1 NM CUSIP 953769JU1 1.50% Due 08/15/2016	50,056	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	Las Cruces SD NM CUSIP 517534PV9 3.00% Due 08/01/2017	204,738	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	Las Vegas SD 2-A NM CUSIP 51778FCP2 3.00% Due 08/15/2018	769,328	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	West Las Vegas SD #1 NM CUSIP 953769JX5 2.75% Due 08/15/2019	258,695	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	Torrance ETC Cntys NM CUSIP 891400NN9 2.50% Due 09/01/2019	276,522	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	Santa Rosa SD 8 NM CUSIP 80275IDS3 2.00% Due 05/15/2020	\$ 388,864	Plains Capital Bank Clovis, New Mexico

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF COLLATERAL PLEDGED BY  
DEPOSITORY FOR PUBLIC FUNDS  
As of June 30, 2016

Name of Depository	Description of Pledged Collateral	Fair Market Value 6/30/2016	Name and Location of SafeKeeper
Bank of Clovis	Los Lunas SCH 001 NM CUSIP 545562NH9 3.85% Due 07/15/2020	\$ 551,287	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	Santa Fe CMNTY CLG NM CUSIP 801901JG5 3.00% Due 08/1/2020	1,073,130	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	Taos Gross RCPTS NM CUSIP 87601RAL4 4.10% Due 06/1/2023	562,309	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FNMA 15 YR CUSIP 31416BYB8 6.50% Due 12/01/2023	135,550	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FNMA 20 YR CUSIP 31371LRB7 6.00% Due 06/01/2024	256,013	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	Alamogordo Muni SD #1 NM CUSIP 011464HN7 2.50% Due 08/01/2025	633,858	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	Clovis Gross Recpts NM CUSIP 189387DH3 2.40% Due 06/01/2026	453,675	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	Austin TX CUSIP 052396YA0 3.25% Due 09/01/2028	1,090,780	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FHLMC 20 YR CUSIP 3128P7RE5 4.00% Due 08/01/2031	818,149	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	Terrell ISD-REF TX CUSIP 881405LB8 3.00% Due 08/01/2031	409,101	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FNMA 20 YR CUSIP 3138ENTQ2 4.00% Due 03/01/2032	793,052	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	Carroll ISD-REF TX CUSIP 1452316B7 4.00% Due 02/15/2033	\$ 608,025	Plains Capital Bank Clovis, New Mexico

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF COLLATERAL PLEDGED BY  
DEPOSITORY FOR PUBLIC FUNDS  
As of June 30, 2016

Name of Depository	Description of Pledged Collateral	Fair Market Value 6/30/2016	Name and Location of SafeKeeper
Bank of Clovis	Longview ISD-BLDG TX CUSIP 543264SV8 5.00% Due 02/15/2034	\$ 1,225,664	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FHR 2881 AE CUSIP 31395J5C6 5.00% Due 08/15/2034	133,102	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	GNMA II 5x1 CUSIP 36225DQM9 1.63% Due 05/20/2035	291,287	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FNR 2009-82 QA CUSIP 31398FPM7 4.00% Due 08/25/2035	260,335	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FHR 4423 BD CUSIP 3137BFGD7 3.00% Due 10/15/2037	\$ 798,433	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FHR 4012 KE CUSIP 3137AMP50 3.00% Due 07/15/2039	798,828	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FHR 3819 GA CUSIP 3137A8LT3 2.00% Due 06/15/2040	839,345	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FNR 2012-113 PB CUSIP 3136A8V64 2.00% Due 10/25/2040	778,528	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FNR 2011-73 PA CUSIP 3136A0US4 3.50% Due 05/25/2041	839,560	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FHR 4016 CA CUSIP 3137AN5X9 2.00% Due 07/15/2041	994,152	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FHR 4027 TA CUSIP 3137ANTK1 3.50% Due 07/15/2041	878,595	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	GNR 2011-156 MA CUSIP 38378A3G4 2.00% Due 09/16/2041	\$ 515,405	Plains Capital Bank Clovis, New Mexico

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF COLLATERAL PLEDGED BY  
DEPOSITORY FOR PUBLIC FUNDS  
As of June 30, 2016

Name of Depository	Description of Pledged Collateral	Fair Market Value 6/30/2016	Name and Location of SafeKeeper
Bank of Clovis	FNR 2012-73 JB CUSIP 3136A65G5 3.50% Due 01/25/2042	\$ 976,685	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FHR 4238 DG CUSIP 3137B4CB0 3.00% Due 02/15/2042	1,189,893	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FNR 2014-40 EP CUSIP 3136AKMJ9 3.50% Due 10/25/2042	1,044,934	Plains Capital Bank Clovis, New Mexico
Bank of Clovis	FNR 2014-38 QD CUSIP 3136AKNR0 2.00% Due 12/25/2043	805,559	Plains Capital Bank Clovis, New Mexico
Subtotal Bank of Clovis		<u>21,703,437</u>	
Total All Banks		<u>\$ 45,096,592</u>	

See accompanying notes.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS  
As of June 30, 2016

Bank Account Type	Bank of Clovis	NM Bank & Trust	Western Bank of Clovis	Citizen's Bank of Clovis	Totals
Checking - General Account	\$ 2,462,642	\$ -	\$ -	\$ -	\$ 2,462,642
Checking - Activity	41,956	-	-	-	41,956
Checking - Bond Building	5,565,014	-	-	-	5,565,014
Checking - Operational	3,233,526	-	-	-	3,233,526
Certificate of Deposit - Activity	613,311	-	-	-	613,311
Certificate of Deposit - Operational	5,110,927	-	-	-	5,110,927
Checking - General Building	-	946,158	-	-	946,158
Checking - Accounts Payable	-	173,323	-	-	173,323
Checking - SB-9	-	-	2,944,441	-	2,944,441
Checking - Debt Service	-	-	3,550,513	-	3,550,513
Checking - Payroll Account	-	-	-	5,111,778	5,111,778
Checking - Food Services	-	-	-	3,148,195	3,148,195
Checking - Activity	<u>-</u>	<u>-</u>	<u>-</u>	<u>725,386</u>	<u>725,386</u>
Total on Deposit	17,027,376	1,119,481	6,494,954	8,985,359	33,627,170
Reconciling Items	<u>88,902</u>	<u>(217,059)</u>	<u>-</u>	<u>(4,485,650)</u>	<u>(4,613,807)</u>
Reconciled Balance June 30, 2016	<u>\$ 17,116,278</u>	<u>\$ 902,422</u>	<u>\$ 6,494,954</u>	<u>\$ 4,499,709</u>	29,013,363
Plus: Petty Cash					<u>160</u>
Cash (includes restricted) per Government-wide Financial Statements and Agency Funds					<u>\$ 29,013,523</u>

Checking accounts with the Bank of Clovis, NM Bank & Trust, and Citizen's Bank of Clovis are non-interest bearing



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION  
Year Ended June 30, 2016

	<i>Fund 11000</i>	<i>Fund 13000</i>	<i>Fund 14000</i>
	<u>Operational</u>	<u>Transportation Account</u>	<u>Instructional Materials</u>
Cash balance,* June 30, 2015	\$ 9,151,551	\$ -	\$ 1,085,732
Additions to cash			
2015-16 revenue	59,477,863	1,862,350	586,337
Receipt of prior year loans	842,855	-	-
Transfer from other funds	-	-	-
Loans from other funds	-	-	-
Total additions to cash	<u>69,472,269</u>	<u>1,862,350</u>	<u>1,672,069</u>
Deductions to cash			
2015-16 expenditures	58,728,111	1,861,596	922,704
Repayment of loans	-	-	-
Transfer to other funds	-	-	-
Loans to other funds	1,472,830	-	-
Total deductions to cash	<u>60,200,941</u>	<u>1,861,596</u>	<u>922,704</u>
Change due to held checks	<u>844,722</u>	<u>-</u>	<u>-</u>
Cash balance,* June 30, 2016	<u>\$ 10,116,050</u>	<u>\$ 754</u>	<u>\$ 749,365</u>

\*Cash balances include cash and  
restricted cash.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION  
Year Ended June 30, 2016

	<i>Fund 21000</i>	<i>Fund 22000</i>	<i>Fund 24000</i>
	<u>Food Services</u>	<u>Athletics Account</u>	<u>Federal Flowthrough</u>
Cash balance,* June 30, 2015	\$ 3,020,373	\$ 139,517	\$ -
Additions to cash			
2015-16 revenue	3,903,217	212,551	4,007,017
Receipt of prior year loans	-	-	-
Transfer from other funds	-	-	-
Loans from other funds	-	-	1,281,825
Total additions to cash	<u>6,923,590</u>	<u>352,068</u>	<u>5,288,842</u>
Deductions to cash			
2015-16 expenditures	3,990,266	181,816	4,596,510
Repayment of loans	-	-	692,332
Transfer to other funds	-	-	-
Loans to other funds	-	-	-
Total deductions to cash	<u>3,990,266</u>	<u>181,816</u>	<u>5,288,842</u>
Change due to held checks	<u>-</u>	<u>-</u>	<u>-</u>
Cash balance,* June 30, 2016	<u>\$ 2,933,324</u>	<u>\$ 170,252</u>	<u>\$ -</u>

\*Cash balances include cash and  
restricted cash.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION  
Year Ended June 30, 2016

	<i>Fund 25000</i>	<i>Fund 26000</i>	<i>Fund 27000</i>
	<b>Federal Direct</b>	<b>Local Grants</b>	<b>State Flowthrough</b>
Cash balance,* June 30, 2015	\$ 570,137	\$ 21,141	\$ -
Additions to cash			
2015-16 revenue	811,516	219,645	582,869
Receipt of prior year loans	-	-	-
Transfer from other funds	-	-	-
Loans from other funds	-	64,944	126,061
Total additions to cash	<u>1,381,653</u>	<u>305,730</u>	<u>708,930</u>
Deductions to cash			
2015-16 expenditures	547,895	217,759	625,473
Repayment of loans	2,741	64,325	83,457
Transfer to other funds	-	-	-
Loans to other funds	-	-	-
Total deductions to cash	<u>550,636</u>	<u>282,084</u>	<u>708,930</u>
Change due to held checks	-	-	-
Cash balance,* June 30, 2016	<u><u>\$ 831,017</u></u>	<u><u>\$ 23,646</u></u>	<u><u>\$ -</u></u>

\*Cash balances include cash and restricted cash.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION  
Year Ended June 30, 2016

	<i>Fund 28000</i>	<i>Fund 29000</i>	<i>Fund 31100</i>
	State Direct	Local/ State	Bond Building State
Cash balance,* June 30, 2015	\$ -	\$ 20,260	\$ 9,086,960
Additions to cash			
2015-16 revenue	-	1,383	1,875,890
Receipt of prior year loans	-	-	-
Transfer from other funds	-	-	-
Loans from other funds	-	-	59,500
Total additions to cash	-	21,643	11,022,350
Deductions to cash			
2015-16 expenditures	-	1,643	5,354,142
Repayment of loans	-	-	59,500
Transfer to other funds	-	-	-
Loans to other funds	-	-	-
Total deductions to cash	-	1,643	5,413,642
Change due to held checks	-	-	-
Cash balance,* June 30, 2016	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 5,608,708</u>

\*Cash balances include cash and  
restricted cash.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION  
Year Ended June 30, 2016

	<i>Fund 31200</i>	<i>Fund 31300</i>	<i>Fund 31700</i>
	Public School	Public School	Capital
	Capital Outlay	Capital Outlay	Improvements
		Local	SB 9
Cash balance,* June 30, 2015	\$ -	\$ 412,050	\$ 2,869,703
Additions to cash			
2015-16 revenue	-	750	1,478,857
Receipt of prior year loans	-	-	-
Transfer from other funds	-	-	-
Loans from other funds	-	-	-
Total additions to cash	-	412,800	4,348,560
Deductions to cash			
2015-16 expenditures	-	-	958,191
Repayment of loans	-	-	-
Transfer to other funds	-	-	-
Loans to other funds	-	-	-
Total deductions to cash	-	-	958,191
Change due to held checks	-	-	-
Cash balance,* June 30, 2016	<u>\$ -</u>	<u>\$ 412,800</u>	<u>\$ 3,390,369</u>

\*Cash balances include cash and restricted cash.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF CASH RECONCILIATION  
Year Ended June 30, 2016

	<i>Fund 41000</i>	
	Debt Service Fund	Total
Cash balance,* June 30, 2015	\$ 3,486,231	\$ 29,863,655
Additions to cash		
2015-16 revenue	3,724,752	78,744,997
Receipt of prior year loans	59,500	902,355
Transfer from other funds	-	-
Loans from other funds	-	1,532,330
Total additions to cash	<u>7,270,483</u>	<u>111,043,337</u>
Deductions to cash		
2015-16 expenditures	3,660,470	81,646,576
Repayment of loans	-	902,355
Transfer to other funds	-	-
Loans to other funds	59,500	1,532,330
Total deductions to cash	<u>3,719,970</u>	<u>84,081,261</u>
Change due to held checks	-	<u>844,722</u>
Cash balance,* June 30, 2016	<u>\$ 3,550,513</u>	<u>\$ 27,806,798</u>
	Fiduciary Fund Cash	<u>1,206,725</u>
	Total Cash	<u>\$ 29,013,523</u>

\*Cash balances include cash and  
restricted cash.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF MEMORANDUMS OF UNDERSTANDING  
AND JOINT POWERS AGREEMENTS  
Year Ended June 30, 2016

Name of MOU	Participants	Party responsible for operations
City of Clovis Golf MOU	CMS and City of Clovis	City of Clovis
City of Clovis MOU	CMS and City of Clovis	CMS and City of Clovis
Southeastern Transition Team MOU	CMS, PMS, SRCS, VMS, ENMRSH ECI, MECA Therapies, NMSVBI, NMSD/EIID, ENMU, TTAP/ EPCAA Head Start, TMC	All listed
SPS MOU	Southwestern Public Service Company and CMS	SPS and CMS
Mike Harris Field MOU	City of Clovis and CMS	City of Clovis responsible for operation of water well.
City of Clovis MOU	City of Clovis and CMS	City of Clovis responsible for operation of a new Senior Center and meal site to be housed in a retired CMS elementary school.
La Casa and Edu MOU	La Casa De Buena Salud, Educare Dental Services, CMS	La Casa and Educare
SPED MOU	Local Education Agency (LEA) and Eastern Plains CAA Head Start (Head Start); The New Mexico School for the Blind and Visually Impaired and CMS	LEA, Head Start, NMSBVI, CMS
Upward Bound MOU	Clovis Community College Upward Bound and CMS	Upward Bound responsible for carrying out services of the Upward Bound Project

Clovis Municipal Schools does not have any Joint Powers Agreements as of and for the year ended June 30, 2016.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF MEMORANDUMS OF UNDERSTANDING  
AND JOINT POWERS AGREEMENTS  
Year Ended June 30, 2016

Name of MOU	Description	Beginning and ending dates of the JPA or MOU
City of Clovis Golf MOU	Lockers for CMS Golf Teams	December 8, 2015 - December 8, 2016
City of Clovis MOU	School Crossing Guard Program	August 1, 1997 - present
Southeastern Transition Team MOU	Facilitate transition for children and family resulting in uninterrupted services and to assist providers in transition process, comply with federal and state laws.	February 2016 - present
SPS MOU	Support and implement SPS's New Mexico Community Based Solar Project	20 years from July 2009
Mike Harris Field MOU	Purchase and install filtration and separation system for existing well shared by both the CMS girls' softball team (Mike Harris Field) and the city owned Bob Spencer Park.	January 1, 2013 - present
City of Clovis MOU	CMS and City of Clovis will work together to develop a plan for utilization of existing Parkview Elementary School including transfer of the school site, building, and improvements to the City of Clovis.	Present through until the time when existing Parkview Elementary School is retired, in late 2019 or early 2020.
La Casa and Edu MOU	Agreement to provide dental services to children attending CMS	September 21, 2010 - present
SPED MOU	To improve availability and quality of services for children and their families in Clovis, Fort Sumner, Portales, and Tucumcari; Residential placement and/or outreach services for students who are visually impaired	February 25, 2016 - present annually renewable
Upward Bound MOU	Upward Bound will provide tutoring, advising, mentoring, academic support, etc., dealing with college preparation and selection process. CMS will provide the resources necessary for Upward Bound to carry out its functions.	May 4, 2016 - May 4, 2017



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF MEMORANDUMS OF UNDERSTANDING  
AND JOINT POWERS AGREEMENTS  
Year Ended June 30, 2016

Name of MOU	Total estimated amount of project and portion applicable to the agency	Amount the agency contributed In the current fiscal year	Audit responsibility
City of Clovis Golf MOU	Cost of maintenance of lockers	Cost of purchase of lockers	CMS
City of Clovis MOU	1/2 of all costs	1/2 of all costs	CMS
Southeastern Transition Team MOU	Shared costs	Shared cost of salaries for providing services	N/A
SPS MOU	Cost of maintenance of host location for installation of Solar PV system	Maintenance Costs	N/A
Mike Harris Field MOU	One-half of the cost of purchasing and installing a filtration and separation system (approximate cost of \$12,000) and one-half of the water and electricity costs at the CMS girls softball complex and Mike Harris Field.	Approximate cost of filtration and separation unit of \$12,000; half of water and electricity costs	N/A
City of Clovis MOU	Plan to be developed by both parties working together prior to the retirement of Parkview Elementary School.	School is still in session until new school is built. No money exchange.	N/A
La Casa and Edu MOU	No cost to the district	Services only - no money exchanged	N/A
SPED MOU	No cost to the district	Services only - no money exchanged	N/A
Upward Bound MOU	CMS and Clovis High School are responsible for copy toner and copier maintenance for the Upward Bound copier in room B7.	Cost of copy paper, toner, and office supplies	N/A

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF MEMORANDUMS OF UNDERSTANDING  
AND JOINT POWERS AGREEMENTS  
Year Ended June 30, 2016

Name of MOU	Fiscal agent if applicable	Name of government agency where revenues and expenditures are reported
City of Clovis Golf MOU	CITY	CMS
City of Clovis MOU	CMS	CMS
Southeastern Transition Team MOU		UNM
SPS MOU	SPS	CMS
Mike Harris Field MOU	CITY	CITY OF CLOVIS AND CMS
City of Clovis MOU	CITY	CITY OF CLOVIS
La Casa and Edu MOU	LA CASA AND EDUCARE DENTAL SERVICES	LA CASA AND EDUCARE DENTAL SERVICES
SPED MOU	EASTERN PLAINS CAA HEAD START AND THE NEW MEXICO SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED	EASTERN PLAINS CAA HEAD START AND THE NEW MEXICO SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED
Upward Bound MOU		UPWARD BOUND AND CMS

## OTHER UNAUDITED INFORMATION

CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (UNAUDITED) (EXCLUDING GRT)  
June 30, 2016

RFB#/RFP # (If applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical Address of Vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
15-107	RFB	Gandy's Dairies	Yes	\$ 467,926	\$ -	Lubbock, Texas	Yes	No	Dairy Products	NA
15-109	ITB	GWC CONSTRUCTION	Yes	168,690	-	Lovington, New Mexico	Yes	Yes	Roof Demolition & Abatement	NA
		Coronado Wrecking & Salvage	No	-	-	Albuquerque, New Mexico	Yes	No		
16-101	ITB	Nick Griego & Sons		385,264	491,280	Clovis, New Mexico	Yes	No	Playground Replacement	NA
16-102	ITB	Nick Griego & Sons	Yes	520,084	591,603	Clovis, New Mexico	Yes	No	Parking Lot Improvements	NA
		K Barnett & Sons	Yes	107,950	-	Clovis, New Mexico	Yes	No		
		J Carizal	No	-	-	El Paso, Texas	Yes	No		
15-216	RFP	Southern Star Tour & Travel	Yes	79,938	86,152	San Antonio, Texas	No	No	Band Travel	NA
15-221	RFP	Plateau	Yes	124,800	-	Clovis, New Mexico	Yes	No	Fiber Installation	NA
		Wanrack	No	-	-	Shawnee, Kansas	No	No		
16-201	RFP	Dyron-Murphy	Yes	99,539	-	Albuquerque, New Mexico	Yes	No	Building Systems Analysis Report	NA
		Huitt Zollars	No	-	-	Albuquerque, New Mexico	Yes	No		
16-202	RFP	Allen Fire Systems	Yes	50,975	-	Amarillo, Texas	No	No	Fire Alarm System Installation	NA
		B & H Security	No	-	-	Clovis, New Mexico	No	No		
16-203	RFP	Progressive Roofing	Yes	\$ 169,496	\$ -	Albuquerque, New Mexico	Yes	No	MMS Auditorium Roofing	NA
		Caprock Building Systems	No	-	-	Amarillo, Texas	No	No		
		Tecta America	No	-	-	Amarillo, Texas	No	No		
		Tri-Lam Roofing	No	-	-	Everman, Texas	No	No		
		WWRC	No	-	-	Clovis, New Mexico	Yes	No		

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING  
\$60,000 (EXCLUDING GRT)  
Year Ended June 30, 2016

**This Schedule includes:**

Competitive procurements in FY 2016 that result in one or more contracts with a maximum contract price of over \$60,000 or more, excluding gross receipts tax, regardless of whether expenditures under that contract were over \$60,000 in FY2016;

Sole-source procurements in FY 2016 that result in one or more contracts with a maximum contract price of over \$60,000 or more, excluding gross receipts tax, regardless of whether expenditures under that contract were over \$60,000 in FY2016; and

Emergency procurements in FY 2016 that result in one or more contracts with a maximum contract price of over \$60,000 or more, excluding gross receipts tax, regardless of whether expenditures under that contract were over \$60,000 in FY2016.

**This Schedule does not include:**

Information on a multi-year procurement that occurred in a prior year, even if it resulted in expenditures of \$60,000 or more in FY 2016, unless there was a contract amendment that occurred in the current fiscal year (i) of a contract with a maximum contract price of \$60,000 or more, or (ii) that increased the maximum contract price of an existing contract to equal or exceed \$60,000; and  
Procurements based on statewide pricing agreements in FY2016.

## COMPLIANCE

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

Mr. Tim Keller  
New Mexico State Auditor  
&  
The Board of Education  
Clovis Municipal Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of Clovis Municipal Schools (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 November 14, 2016.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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.

Mr. Tim Keller  
New Mexico State Auditor  
&  
The Board of Education  
Clovis Municipal Schools

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. 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**

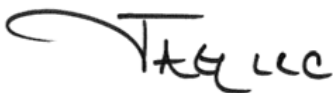
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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* as items 2016-001 and 2016-002.

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

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. The 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.



Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 14, 2016



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

Mr. Tim Keller  
New Mexico State Auditor  
&  
The Board of Education  
Clovis Municipal Schools

**Report on Compliance for the Major Federal Program**

We have audited Clovis Municipal School'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 program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of 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 the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Mr. Tim Keller  
New Mexico State Auditor  
&  
The Board of Education  
Clovis Municipal Schools

We believe that our audit provides a reasonable basis for our opinion on compliance for the 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 the major federal program and to test and report on internal control over compliance in accordance the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Mr. Tim Keller  
New Mexico State Auditor  
&  
The Board of Education  
Clovis Municipal Schools

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

A handwritten signature in black ink, appearing to read "JAG LLC", with a stylized flourish at the beginning.

Jaramillo Accounting Group LLC (JAG)  
Albuquerque, New Mexico  
November 14, 2016

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2016

Federal Grantor or Pass-Through Grantor/Program Title	Pass-through Number	Federal CFDA	Passed-through to Subrecipients	Federal Expenditures
<b>U.S. Department of Defense</b>				
ROTC	25200	12.357	\$ -	\$ 13,764
<b>U.S. Department of Education</b>				
<i>Pass-through State of New Mexico Department of Education</i>				
Title I Grants to Local Educational Agencies	24101	84.010	-	2,076,452
Migrant Education - State Grant Program	24103	84.011	-	80,752
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States (IDEA B)	24106	84.027	-	1,775,064
Special Education - Preschool Grants (IDEA B - Pre School)	24109	84.173	-	75,966
<i>Special Education Cluster (IDEA) Total</i>			-	1,851,030
English Language Acquisition State Grants	24153	84.365A	-	56,167
Improving Teacher Quality State Grants (Title II)	24154	84.367	9,273	396,852
Career and Technical Education - Basic Grants to States (Carl D Perkins - Secondary Current)	24174	84.048	-	69,620
Career and Technical Education - Basic Grants to States (Carl D. Perkins Secondary - Redistribution)	24176	84.048	-	27,967
<i>Subtotal - Pass-through State of New Mexico Department of Education</i>			9,273	4,558,840
<i>Direct U.S. Department of Education</i>				
Impact Aid	11000	84.041	-	81,186
Impact Aid - Special Education	25145	84.041	-	92,050
<i>Subtotal - Direct U.S. Department of Education</i>			-	173,236
<b>Total U.S. Department of Education</b>			9,273	4,732,076
<b>U.S. Department of Agriculture</b>				
<i>Pass-through State of New Mexico Department of Education</i>				
<i>Child Nutrition Cluster</i>				
School Breakfast Program	21000	10.553	-	1,401,698
National School Lunch Program	21000	10.555	-	2,308,863
<i>Total Child Nutrition Cluster</i>			-	3,710,561
<i>Pass-through State of New Mexico Department of Health and Human Services</i>				
Food Distribution (Commodities)	21000	10.569	-	318,935
<b>Total U.S. Department of Agriculture</b>			-	4,029,496
<b>Total Federal Financial Assistance</b>			\$ 9,273	\$ 8,775,336

*See notes to Schedule of Expenditures of Federal Awards.*

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2016

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Clovis Municipal Schools (District) under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Subrecipient**

The District provided the following federal award to a subrecipient during the year:

CFDA 84.367, Improving Teacher Quality State Grants (Title II)  
Clovis Christian School in the amount of \$9,273

**4. Non Cash Federal Assistance**

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast program. The value of commodities received for the year ended June 30, 2016 was \$318,935 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.569. Commodities are recorded as revenues and expenditures in the Food Service fund.

**5. Indirect Cost Rate**

The District has elected to use the 10% de minimis indirect cost rate on certain federal programs as allowed under the Uniform Guidance.

**6. Reconciliation of federal revenue to federal expense**

Federal revenue as reported on Schedule of Expenditure of Federal Awards	\$ 8,775,336
District as contractor relationship	968,172
Advance reimbursement grant (Impact Aid)	(42,703)
Federal revenue as reported in the financial statements	<u>\$ 9,700,805</u>

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2016

NONE

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016

**Section I – Summary of Audit Results**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weakness identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | No         |
| c. Noncompliance material to financial statements noted?                         | No         |

*Federal Awards:*

- |   |                         |
|---|-------------------------|
| 1. Internal control over major programs:  |                         |
| a. Material weakness identified?  | No                      |
| b. Significant deficiencies identified not considered to be material weaknesses?                              | No                      |
| 2. Type of auditors' report issued on compliance for major programs   | Unmodified              |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | No                      |
| 4. Identification of major programs:  |                         |
| CFDA  |                         |
| <u>Number</u>   | <u>Federal Program</u>  |
| 10.553/10.555   | Child Nutrition Cluster |
| 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  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016

Section II – Financial Statement Findings

2016-001      ACTUAL EXPENDITURES EXCEEDED BUDGETED EXPENDITURES

TYPE OF FINDING: Non-Compliance

CONDITION

The District's total budgeted operating expenditures by major function were exceeded as follows:

Fund 27168	After School Enrichment Program	Support Services	\$36
Fund 31700	Capital Improvements SB-9	Support Services	\$869
Fund 41000	Debt Service Fund	Support Services	\$787

CRITERIA

According to the New Mexico State Auditor Rule 2.2.2.10 (P)(1)(a), if actual expenditures exceed budgeted expenditures at the legal level of budgetary control, that fact must be reported in a finding.

CAUSE

Deadlines for Budget Adjustment Requests (BARs) are due June 1<sup>st</sup> and the information that caused these funds to be over budget was not available until after that date. Therefore, the budget could not be adjusted timely.

EFFECT

The District could be overspending cash balances if budget adjustments are not made during the year.

RECOMMENDATION

Establish adequate procedures to monitor budget compliance and prohibit exceeding budgeted amounts. Unfavorable variances should be investigated to ensure that the District is spending according to the adopted budget, and budget amendments should be pursued in instances where situations change during the year. For those areas which may change after BARs are due, consider increasing the estimated budget amounts.



STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016

Section II – Financial Statement Findings (Continued)

2016-001      ACTUAL EXPENDITURES EXCEEDED BUDGETED EXPENDITURES  
(CONTINUED)

MANAGEMENT RESPONSE

CORRECTIVE ACTION: The Assistant Superintendent of Finance has reviewed 22-8-11 (B) NMSA 1978 with Finance department personnel. The overspent amount in funds 31700 and 41000 represents the 1% assessment fee imposed by the county for collection of property taxes. Property taxes had a substantial increase in June which was unexpected. Clovis Municipal Schools did not receive the final tax revenue from the county treasurer until June 23, 2016; well past the deadline of June 1, 2016 to submit a Budget Adjustment Request (BAR). In the future, the Assistant Superintendent of Finance will communicate with the county tax collector to monitor tax collections earlier in the year to avoid exceeding budgeted amounts.

The After School Enrichment Program (27168) did not contain enough budget to cover all of the benefits for the June 30, 2016 payroll. In the future, benefits will be monitored to ensure budget amounts are not overspent.

DUE DATE OF COMPLETION: To be reviewed during the year with final adjustments completed before the BAR deadline of June 1.

RESPONSIBLE PARTY: Assistant Superintendent of Finance, Coordinator of Finance

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016

Section II – Financial Statement Findings (Continued)

2016-002      COMPLIANCE WITH SCHOOL PERSONNEL ACT

TYPE OF FINDING: Non-Compliance

**CONDITION:** During our testing of the District's compliance with the New Mexico School Personnel Act, we noted the District provided supporting documentation that employees received training on sexual harassment, sexual misconduct, and detection and reporting of child abuse and neglect. However, the District was unable to provide evidence that five employees (from a random sample of five) completed training on substance abuse.

Our testing found that one of five employee contracts (from a random sample of five) selected for testing were not executed within the required time frame. This contract was executed one day after the start of the school year.

**CRITERIA:** 22-10A-32(A) NMSA 1978 states that all licensed school employees shall be required to complete training in the detection and reporting of child abuse and neglect, including sexual abuse and assault, and substance abuse. Except as otherwise provided in this subsection, this requirement shall be completed within the licensed school employee's first year of employment by a school district. Licensed school employees hired prior to the 2014-2015 school year shall complete the sexual abuse and assault component of the required training during the 2014-2015 school year.

22-10A-23(B) NMSA 1978 states that delivery of the written acceptance of reemployment by a certified school instructor creates a binding employment contract between the certified school instructor and the local school board or the governing authority of the state agency until the parties enter into a formal written employment contract. Written employment contracts between local school boards or governing authorities of state agencies and certified school instructors shall be executed by the parties not later than ten days before the first day of a school year.

**EFFECT**

Without contracts signed timely, the District may be at risk of students' classrooms and services not staffed as planned. Without adequate training, staff may make unintentional errors in these sensitive areas that could impact students and families.

**CAUSE**

The certified school instructor identified in the finding signed her Notice of Re-employment to Certified Staff on 4/16/2015. Her Certified Instructor Contract was executed on 8/3/2015, which was 15 days prior to the first day of the school year. The first contract date for teachers was 8/11/2015 and the instructor signed her contract on 8/12/2015.

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016

Section II – Financial Statement Findings (Continued)

2016-002      COMPLIANCE WITH SCHOOL PERSONNEL ACT (CONTINUED)

**RECOMMENDATION**

We recommend that the District implement policies and procedures and monitor their effectiveness to ensure that the District remain in compliance with all elements of the School Personnel Act.

**MANAGEMENT RESPONSE**

**CORRECTIVE ACTION:** The District will include specific training for Substance Abuse and intends on adding the Student Drug and Alcohol Abuse, Safe Schools Training Video to the currently required online training program immediately.

In order to be in compliance with the School Personnel Act 22-10A-23(B) NMSA 1978, future Certified Instructor Contracts will be issued earlier in the fiscal year and certified staff will be required to sign their contract not later than ten (10) days before the first day of the school year.

**DUE DATE OF COMPLETION:** July 1, 2016

**RESPONSIBLE PARTY:** Assistant Superintendent of Human Resources

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016

Section III – Federal Findings

None

STATE OF NEW MEXICO  
CLOVIS MUNICIPAL SCHOOLS  
EXIT CONFERENCE  
FOR THE YEAR ENDED JUNE 30, 2016

The contents of this report were discussed on November 4, 2016. The following individuals were in attendance:

Clovis Municipal Schools

Justin Howalt - Board Member/Audit Committee Member  
Denise Wolf - Audit Committee Member

Jody Balch - Superintendent  
Joe Strickland - Deputy Superintendent of Instruction  
Carrie Bunce - Deputy Superintendent of Operations  
Kerry Parker - Assistant Superintendent of Human Resources  
Shawna Russell - Assistant Superintendent of Finance  
Renee Mestas - Deputy Director of Federal Programs  
Carlyn Hancock - Executive Director of Special Education  
Paul Klein - Director of Child Nutrition  
Bryan Jones - Chief Procurement Officer  
Heather Nieto - Executive Assistant to Finance  
Geri Schumpert - Finance  
Robbyn Runquist - Finance  
Gena Wilkerson - Finance  
Monica Jackson - Finance

Jaramillo Accounting Group (JAG)  
Audrey Jaramillo, CPA, CFE, Partner

*Jaramillo Accounting Group (JAG) assisted in the preparation of the financial statements presented in this report. 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.*

## APPENDIX C

### FORM OF BOND COUNSEL OPINION

John R. Cooney  
James M. Parker  
Arthur D. Melendres  
James P. Houghton  
Paul M. Fish  
R. E. Thompson  
Ruth M. Schifani  
Lynn H. Slade  
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  
Emil J. Kiehne  
Brian K. Nichols  
Megan T. Muirhead  
Deana M. Bennett  
Tiffany L. Roach Martin  
Daniel M. Alsup  
Katherine M. Creagan  
Spencer L. Edelman  
Nathan T. Nieman  
Christina C. Sheehan  
Nadine E. Shea  
Anna E. Indahl  
Damon P. Martinez  
Andrew B. Indahl  
Jeremy K. Harrison  
Sarah M. Stevenson  
Elizabeth A. Martinez  
Jennifer L. Bradfute  
Sonya R. Burke  
Mia Kern Lardy  
Emily P. Chase-Sosnoff  
Tomas J. Garcia  
Zoë E. Lees  
Vanessa C. Kaczmarek  
Cristina A. Mulcahy  
Robin E. James  
Luke W. Holmen  
Ian W. Bearden  
Kimberly N. Knox



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New Mexico 87103-2168  
  
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October \_\_, 2017

Board of Education  
Clovis Municipal School District No. 1  
Clovis, New Mexico

Ladies and Gentlemen:

We have acted as bond counsel to Clovis Municipal School District No. 1 (the "District") in connection with the issuance of its \$5,000,000 General Obligation School Building Bonds, Series 2017 (the "Bonds"), dated October 31, 2017, with interest payable on February 1, 2018, and semi-annually thereafter on each August 1 and February 1 until maturity, and being bonds in registered form maturing on August 1 in the years 2018 through 2032.

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, estate 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.

The opinions expressed herein represent our legal judgment based upon existing legislation as of the date of issuance and delivery of the Bonds that we deem relevant to render such opinions and are not a guarantee of a result, and we express no opinion as of any date subsequent thereto or with respect to any pending legislation.

We are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Bonds.

Respectfully Submitted,



## APPENDIX D

### CONTINUING DISCLOSURE UNDERTAKING

## **CONTINUING DISCLOSURE UNDERTAKING**

Section 1. Recitals. This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the Clovis Municipal School District No. 1, Curry County, New Mexico (the "District"), in connection with the issuance of the Clovis Municipal School District No. 1, Curry County, New Mexico, General Obligation School Building Bonds, Series 2017 (the "Bonds"). The Bonds are being issued pursuant to a Notice of Sale Resolution and Delegation of Authority adopted on August 22, 2017 and a Bond Award signed on September 26, 2017 (collectively, 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," "FINANCES OF THE EDUCATIONAL PROGRAM-State Equalization Guarantee," "Statement of Net Position," "Statement of Activities," "Balance Sheet-General Fund" and "Statement of Revenues & Expenditures & Changes in Fund Balances." 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 September 26, 2017, delivered in connection with the original issue and sale of the Bonds.

(g) "Report Date" means March 31 of each year, beginning in 2018.

(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 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 the Annual Financial Information for the preceding fiscal year to the Repository on or before each 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 as part of the Annual Financial Information. The District will timely provide to EMMA notice of failure to provide Annual Financial Information or Audited Financial Statements in the event these items are not available by the Report Date.

(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 the Repository 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 the MSRB.

(d) The District, or its designated agent, will provide, to EMMA, notice of any of the following events with respect to the Bonds in a timely manner not in excess of ten (10) business days after the occurrence of the event:

- (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, or tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the securities, if material within the meaning of the federal securities law;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or a similar event with respect to the District or an obligated person;

(xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee, or a 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 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 the Repository, 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. Subject to Appropriation. This Undertaking shall be subject to annual appropriation by the District's Board of Education and shall not be construed as a general obligation of the District.

Section 10. Governing Law. This Undertaking is governed by and is to be construed in accordance with the law of the State.

[Remainder of Page Intentionally Left Blank]

Date: October 31, 2017

BOARD OF EDUCATION OF CLOVIS  
MUNICIPAL SCHOOL DISTRICT NO. 1

By \_\_\_\_\_  
President

[SEAL]

ATTEST:

\_\_\_\_\_  
Secretary

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