

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Statement of Net Position  
June 30, 2016

**ASSETS AND DEFERRED OUTFLOWS**

**Current Assets:**

Cash and Cash Equivalents	\$ 862,753
Receivables	
Due from Other Governments	141,412
Deposits	12,500
Prepaid Expenditures	15,570
<b>Total Current Assets</b>	<u>1,032,235</u>

**Noncurrent Assets:**

Capital Assets	
Furniture, Fixtures, and Equipment	153,311
Less: Accumulated Depreciation	(106,825)
<b>Total Noncurrent Assets</b>	<u>46,486</u>

<b>Total Assets</b>	<u>1,078,721</u>
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<b>Deferred Outflows - Pension Related</b>	<u>733,284</u>
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**LIABILITIES AND DEFERRED INFLOWS**

**Current Liabilities:**

Accrued Liabilities	150,373
<b>Total Current Liabilities</b>	<u>150,373</u>

**Noncurrent Liabilities:**

Net Pension Liability	3,043,667
<b>Total Noncurrent Liabilities</b>	<u>3,043,667</u>

<b>Total Liabilities</b>	<u>3,194,040</u>
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<b>Deferred Inflows - Pension related</b>	<u>70,127</u>
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**NET POSITION**

Investment in Capital Assets	46,486
Restricted	603,797
Unrestricted (Deficit)	(2,102,445)
<b>Total Net Position</b>	<u>\$ (1,452,162)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Statement of Activities  
For The Year Ended June 30, 2016

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,405,981	13,785	338,589	-	(1,053,607)
Support Services:					
Students	93,712	-	-	-	(93,712)
Instruction	118,088	-	-	-	(118,088)
General Administration	42,567	-	-	-	(42,567)
School Administration	416,490	-	-	-	(416,490)
Central Services	139,734	-	-	-	(139,734)
Operation & Maintenance of Plant	185,016	-	-	-	(185,016)
Other Support Services	46	-	-	-	(46)
Student Transportation	490	-	-	-	(490)
Food Services	49,698	10,338	13,321	-	(26,039)
Facilities Materials, Supplies & Other Services	266,888	-	-	205,648	(61,240)
<b>Total Governmental Activities</b>	<b>\$ 2,718,710</b>	<b>24,123</b>	<b>351,910</b>	<b>205,648</b>	<b>(2,137,029)</b>
<b>General Revenues:</b>					
Property Taxes					\$ 150,223
State Equalization Guarantee					2,047,179
Miscellaneous					2,034
Total General Revenues					<u>2,199,436</u>
<b>Change in Net Position</b>					62,407
Net Position (Deficit), Beginning					<u>(1,514,569)</u>
Net position (Deficit), Ending					<u>\$ (1,452,162)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Balance Sheets - Governmental Funds  
June 30, 2016

	<b>Operational 11000</b>	<b>Instructional Materials 14000</b>	<b>Food Services 21000</b>	<b>Title I IASA 24101</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 282,730	6,181	5,685	-
Accounts Receivable				
Due from Government	301	-	644	9,321
Due from Other Funds	129,300	-	-	-
Deposits	12,500	-	-	-
Prepaid Expenditures	14,583	987	-	-
<b>Total Assets</b>	<b>\$ 439,414</b>	<b>7,168</b>	<b>6,329</b>	<b>9,321</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	-	-	-
Accrued Expenditures	134,266	-	-	886
Due to Other Funds	-	-	-	8,435
<b>Total Liabilities</b>	<b>134,266</b>	<b>-</b>	<b>-</b>	<b>9,321</b>
<b>Fund Balances</b>				
Fund Balance:				
Nonspendable:				
Deposits	12,500	-	-	-
Prepaid Expenditures	14,583	987	-	-
Restricted for:				
Instruction	-	6,181	-	-
Food Service Operations	-	-	6,329	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	278,065	-	-	-
<b>Total Fund Balance</b>	<b>305,148</b>	<b>7,168</b>	<b>6,329</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 439,414</b>	<b>7,168</b>	<b>6,329</b>	<b>9,321</b>

The accompanying notes are an integral part of these financial statements

<b>IDEA-B Entitlement 24106</b>	<b>IDEA-B Risk Pool 24120</b>	<b>Teacher Principal Training 24154</b>	<b>Dual Credit 27103</b>	<b>2012 GO Bond Student Library SB-66 27107</b>	<b>Private Dir Grants 29102</b>
-	-	-	-	-	90,623
16,649	37	8,566	-	3,216	1,329
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,649</u>	<u>37</u>	<u>8,566</u>	<u>-</u>	<u>3,216</u>	<u>91,952</u>
-	-	-	-	-	-
5,298	-	-	-	-	9,923
11,351	37	8,566	-	3,216	-
<u>16,649</u>	<u>37</u>	<u>8,566</u>	<u>-</u>	<u>3,216</u>	<u>9,923</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	82,029
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,029</u>
<u>16,649</u>	<u>37</u>	<u>8,566</u>	<u>-</u>	<u>3,216</u>	<u>91,952</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Balance Sheets - Governmental Funds - (Continued)  
June 30, 2016

	Public School Capital Outlay 31200	Special Capital Outlay 31400	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700
<b>ASSETS</b>				
Cash and Cash Equivalents	-	-	105,489	352,839
Accounts Receivable				
Due from Government	35,984	61,711	1,465	2,189
Due from Other Funds	-	-	-	-
Deposits	-	-	-	-
Prepaid Expenditures	-	-	-	-
<b>Total Assets</b>	<b>35,984</b>	<b>61,711</b>	<b>106,954</b>	<b>355,028</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts Payable	-	-	-	-
Accrued Expenditures	-	-	-	-
Due to Other Funds	35,984	61,711	-	-
<b>Total Liabilities</b>	<b>35,984</b>	<b>61,711</b>	<b>-</b>	<b>-</b>
<i>Fund Balances</i>				
Fund Balance:				
Nonspendable:				
Deposits	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	-	-	-	-
Food Service Operations	-	-	-	-
Capital Improvements	-	-	106,954	355,028
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	-
<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>106,954</b>	<b>355,028</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 35,984</b>	<b>\$ 61,711</b>	<b>\$ 106,954</b>	<b>\$ 355,028</b>

The accompanying notes are an integral part of these financial statements

<b>Educational Technology Equipment 31900</b>	<b>Total</b>
19,206	862,753
-	141,412
-	129,300
-	12,500
-	15,570
<u>19,206</u>	<u>1,161,535</u>
-	-
-	150,373
-	129,300
<u>-</u>	<u>279,673</u>
-	12,500
-	15,570
-	88,210
-	6,329
19,206	481,188
-	278,065
<u>19,206</u>	<u>881,862</u>
<u>\$ 19,206</u>	<u>1,161,535</u>

STATE OF NEW MEXICO  
 PUBLIC EDUCATION DEPARTMENT  
 New Mexico School for the Arts  
 Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position  
 June 30, 2016

**Fund Balances - Total Governmental Funds** **\$ 881,862**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	153,311	
Accumulated Depreciation	<u>(106,825)</u>	
		46,486

Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds. 733,284

Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds. (70,127)

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds. (3,043,667)

**Deficit-Total Governmental Activities** **\$ (1,452,162)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Statement of Revenues, Expenditures, and Changes In Fund Balances  
Governmental Funds  
For The Year Ended June 30, 2016

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
<b>REVENUES</b>				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	2,047,179	15,012	-	-
Federal Grant	4,290	-	13,321	31,043
Fees	13,785	-	10,338	-
Miscellaneous Income	2,034	-	-	-
<b>Total Revenues</b>	<u>2,067,288</u>	<u>15,012</u>	<u>23,659</u>	<u>31,043</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	1,091,067	8,229	-	27,332
Support Services:				
Students	86,563	-	-	3,711
Instruction	43,844	-	-	-
General Administration	26,099	-	-	-
School Administration	367,107	-	-	-
Central Services	137,613	-	-	-
Operation & Maintenance of Plant	180,451	-	-	-
Student Transportation	490	-	-	-
Other Support Services Operations	46	-	-	-
Food Services Operations	28,235	-	20,146	-
Capital Outlay	2,164	-	-	-
<b>Total Expenditures</b>	<u>1,963,679</u>	<u>8,229</u>	<u>20,146</u>	<u>31,043</u>
<b>Net Changes in Fund Balances</b>	<u>103,609</u>	<u>6,783</u>	<u>3,513</u>	<u>-</u>
<b>Fund Balances - Beginning of Year</b>	<u>201,539</u>	<u>385</u>	<u>2,816</u>	<u>-</u>
<b>Fund Balances - End of Year</b>	<u>\$ 305,148</u>	<u>7,168</u>	<u>6,329</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements



<b>IDEA-B Entitlement 24106</b>	<b>IDEA-B Risk Pool 24120</b>	<b>Teacher Principal Training 24154</b>	<b>Dual Credit 27103</b>	<b>2012 GO Bond Student Library SB-66 27107</b>	<b>Private Dir Grants 29102</b>
-	-	-	-	-	-
-	-	-	-	-	117,117
-	-	-	365	3,216	-
46,123	37	13,366	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>46,123</u>	<u>37</u>	<u>13,366</u>	<u>365</u>	<u>3,216</u>	<u>117,117</u>
42,722	-	13,366	365	-	52,298
3,401	37	-	-	-	-
-	-	-	-	3,216	61,233
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>46,123</u>	<u>37</u>	<u>13,366</u>	<u>365</u>	<u>3,216</u>	<u>113,531</u>
-	-	-	-	-	3,586
-	-	-	-	-	78,443
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,029</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Statement of Revenues, Expenditures, and Changes In Fund Balances - (Continued)  
Governmental Funds  
For The Year Ended June 30, 2016

	Public School Capital Outlay 31200	Special Capital Outlay 31400	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700
<b>REVENUES</b>				
Property Taxes	-	-	108,020	150,223
Local & County Grant	-	-	-	-
State Grant	143,937	61,711	-	-
Federal Grant	-	-	-	-
Fees	-	-	-	-
Miscellaneous Income	-	-	-	-
<b>Total Revenues</b>	<u>143,937</u>	<u>61,711</u>	<u>108,020</u>	<u>150,223</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	1,066	1,480
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	143,937	61,711	-	40,474
<b>Total Expenditures</b>	<u>143,937</u>	<u>61,711</u>	<u>1,066</u>	<u>41,954</u>
<b>Net Changes in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>106,954</u>	<u>108,269</u>
<b>Fund Balances - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246,759</u>
<b>Fund Balances - End of Year</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>106,954</u></u>	<u><u>355,028</u></u>

The accompanying notes are an integral part of these financial statements

Educational Technology Equipment 31900	Total
-	258,243
-	117,117
-	2,271,420
-	108,180
-	24,123
-	2,034
-	<u>2,781,117</u>
-	1,235,379
-	93,712
-	108,293
-	28,645
-	367,107
-	137,613
-	180,451
-	490
-	46
-	48,381
<u>9,103</u>	<u>257,389</u>
<u>9,103</u>	<u>2,457,506</u>
<u>(9,103)</u>	<u>323,611</u>
<u>28,309</u>	<u>558,251</u>
<u>19,206</u>	<u>881,862</u>

**STATE OF NEW MEXICO**  
**PUBLIC EDUCATION DEPARTMENT**  
**New Mexico School for the Arts**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2016**

**Net Change in Fund Balances-Total Governmental Funds** **\$ 323,611**

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

Capital outlays to purchase or build capital assets are reported in  
 governmental funds as expenditures. However, for governmental  
 activities those costs are shown in the Statement of Net Position and  
 allocated over their estimated useful lives as annual depreciation  
 expenses in the Statement of Activities. This is the amount by which  
 capital outlay exceeds depreciation for the period

Depreciation Expense	(22,857)
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Changes in deferred outflows of resources-pension related, deferred inflows of resources-pension related, and the net pension liability	(238,347)
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<b>Change in Net Position-Total Governmental Activities</b>	<b><u>\$ 62,407</u></b>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 PUBLIC EDUCATION DEPARTMENT  
 New Mexico School for the Arts  
 Statement of Fiduciary Assets and Liabilities- Agency Funds  
 June 30, 2016

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash in Bank	<u>\$          9,375</u>
<b>Total Assets</b>	<u><u>\$          9,375</u></u>
 <b>LIABILITIES</b>	
Deposits Held for Others	<u>\$          9,375</u>
<b>Total Liabilities</b>	<u><u>\$          9,375</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 PUBLIC EDUCATION DEPARTMENT  
 New Mexico School for the Arts  
 Schedule of Changes in Assets and Liabilities - Agency Funds  
 For The Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS</b>				
Cash in Bank	\$ 7,790	19,796	(18,211)	9,375
<b>Total Assets</b>	<u>\$ 7,790</u>	<u>19,796</u>	<u>(18,211)</u>	<u>9,375</u>
<b>LIABILITIES</b>				
Deposits Held for Others	\$ 7,790	19,796	(18,211)	9,375
<b>Total Liabilities</b>	<u>\$ 7,790</u>	<u>19,796</u>	<u>(18,211)</u>	<u>9,375</u>

The accompanying notes are an integral part of these financial statements

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

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

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

Furniture, Fixtures and Equipment	5 – 7 years
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Capital assets for New Mexico School for the Arts are recorded in the Statement of Net Position.

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

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Notes to the Financial Statements  
June 30, 2016

**NOTE 2. CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2016 follows:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 153,311	-	-	153,311
<i>Total</i>	<u>153,311</u>	<u>-</u>	<u>-</u>	<u>153,311</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(83,968)	(22,857)	-	(106,825)
<i>Total</i>	<u>(83,968)</u>	<u>(22,857)</u>	<u>-</u>	<u>(106,825)</u>
Capital Assets, Net	<u>\$ 69,343</u>	<u>(22,857)</u>	<u>-</u>	<u>46,486</u>

Depreciation expensed for the year ended June 30, 2015 was expensed to the following functions:

Instruction	\$ 9,599
Operations/Plant Maintenance	3,759
Facilities Materials, Supplies & Other Services	9,499
<b>Total</b>	<u>\$ 22,857</u>

**NOTE 3. COMMITMENTS AND LIABILITIES**

New Mexico School for the Arts leased facilities under short-term cancelable operating leases. Rental expenses for the year ended June 30, 2016 was \$181,304. New Mexico School for the Arts minimum future payments on this lease are as follows:

<b>Year Ending June 30:</b>	
2017	\$ 196,264
2018	10,764
2019	10,764
2020	10,764
2021	7,176
<b>Total</b>	<u>\$ 235,732</u>



#### NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The information contained within this disclosure represents the pension information specific to New Mexico School for the Arts and does not include general disclosure information pertaining to the New Mexico Educational Employees' Retirement Plan. General disclosure information including plan description, benefits provided, applicable actuarial assumptions, and location for additional information about the New Mexico Educational Retirement Boards fiduciary net position can be found within the basic financial statements of the Public Education Department.

**Contributions.** The contribution requirements of defined benefit plan members and New Mexico School for the Arts are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2015, employers contributed 13.90% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.70% of their gross annual salary. For fiscal year ended June 30, 2016 employers contributed 13.90% and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 continued to contribute 10.70% of their gross annual salary. Contributions to the pension plan from New Mexico School for the Arts were \$177,505 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, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2015. At June 30, 2016, New Mexico School for the Arts reported a liability of \$3,043,667 for its proportionate share of the net pension liability. New Mexico School for the Arts' proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, New Mexico School for the Art's proportion was 0.04699%, which was an increase of 0.00588% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, New Mexico School for the Arts recognized pension expense of \$419,188. At June 30, 2016, New Mexico School for the Arts reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Notes to the Financial Statements  
June 30, 2016

**NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (56,427)
Changes in assumptions	104,688	-
Net differences between projected and actual earnings on pension plan investments	-	(13,700)
Changes in proportion	451,091	-
Fiscal year 2016 employer contributions	<u>177,505</u>	<u>-</u>
Ending balance	<u>\$ 733,284</u>	<u>(70,127)</u>

New Mexico School for the Arts reported \$177,505 as deferred outflows of resources related to pensions resulting from New Mexico School for the Arts contributions subsequent to the measurement date June 30, 2015 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30:</b>	
2017	\$ (180,716)
2018	(171,160)
2019	(91,502)
2021	<u>(42,274)</u>
<b>Total</b>	<u>\$ (485,652)</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Notes to the Financial Statements  
June 30, 2016

**NOTE 4. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)**

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

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
New Mexico School for the Arts proportionate share of the net pension liability	<u>\$ 4,095,458</u>	<u>3,043,667</u>	<u>2,160,054</u>

**Payables to the pension plan.** At June 30, 2016, New Mexico School for the Arts owed \$43,589 to ERB for fiscal year 2016 contributions.

**NOTE 5. RELATED PARTY TRANSACTION**

The business manager services are performed by AptAbility, which performed services for multiple state charter schools.

STATE OF NEW MEXICO  
 PUBLIC EDUCATION DEPARTMENT  
 NEW MEXICO SCHOOL FOR THE ARTS  
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 June 30, 2016

New Mexico Educational Retirement Board Pension Plan  
 Schedule of Ten Year Tracking Data\*  
 (Dollars in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School's Proportion of the Net Pension Liability (Asset)	0.04%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School's Proportionate Share of Net Pension Liability (Asset)	\$ 2,346	3,044	-	-	-	-	-	-	-	-
School's Covered-Employee Payroll	\$ 1,133	1,283	-	-	-	-	-	-	-	-
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	207.01%	237.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.54%	63.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\*The amounts presented for each fiscal year were determined as of June 30, 2015

STATE OF NEW MEXICO  
 PUBLIC EDUCATION DEPARTMENT  
 NEW MEXICO SCHOOL FOR THE ARTS  
 SCHEDULE OF SCHOOL CONTRIBUTIONS  
 June 30, 2016

New Mexico Educational Retirement Board Pension Plan  
 Schedule of Ten Year Tracking Data  
 (Dollars in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 149	\$ 186	-	-	-	-	-	-	-	-
Contributions in Relation to the Contractually Required Contribution	149	186	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization Years	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ (21)	5	\$ (28)	\$ (28)	\$ (18)	\$ 53	-	-	-	-	-
2015	\$ (486)	5	(181)	(171)	(92)	(42)	-	-	-	-	-
2016	-	5	-	-	-	-	-	-	-	-	-
2017	-	5	-	-	-	-	-	-	-	-	-
2018	-	5	-	-	-	-	-	-	-	-	-
2019	-	5	-	-	-	-	-	-	-	-	-
2020	-	5	-	-	-	-	-	-	-	-	-
2021	-	5	-	-	-	-	-	-	-	-	-
2022	-	5	-	-	-	-	-	-	-	-	-
2023	-	5	-	-	-	-	-	-	-	-	-
	\$ (507)		\$ (28)	\$ (209)	\$ (189)	\$ (39)	\$ (42)	-	-	-	-

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Schedule of Budgetary Comparisons - Budgetary Basis  
Operational 11000  
For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
State Grant	\$ 1,936,745	2,047,178	2,047,178	-
Federal Grant	7,500	7,500	6,689	(811)
Miscellaneous	1,000	1,000	3,959	2,959
Charges for Services	1,000	7,116	11,560	4,444
<b>Total Revenues</b>	<u>1,946,245</u>	<u>2,062,794</u>	<u>2,069,386</u>	<u>6,592</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	1,046,762	1,229,817	1,091,067	138,750
Support Services:				
Students	97,412	97,392	86,563	10,829
Instruction	129,487	49,693	43,844	5,849
General Administration	21,235	28,717	26,358	2,359
School Administration	261,362	375,080	367,107	7,973
Central Services	169,808	140,779	137,613	3,166
Operation & Maintenance of Plant	380,497	266,964	184,416	82,548
Student Transportation	-	4,000	490	3,510
Other Support Services Operations	-	46	46	-
Food Services Operations	20,290	44,425	28,235	16,190
Capital Outlay	-	2,164	2,164	-
<b>Total Expenditures</b>	<u>2,126,853</u>	<u>2,239,077</u>	<u>1,967,903</u>	<u>271,174</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(180,608)</u>	<u>(176,283)</u>	<u>101,483</u>	<u>277,766</u>
<b>Other Financing Sources (Uses):</b>				
Designated Cash	180,608	176,283	-	(176,283)
<b>Total Other Financing Sources (Uses):</b>	<u>180,608</u>	<u>176,283</u>	<u>-</u>	<u>(176,283)</u>
<b>Net Changes in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>101,483</u>	<u>101,483</u>
<b>Cash or Fund Balances - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>201,539</u>	<u>201,539</u>
<b>Cash or Fund Balances - End of Year</b>	<u>\$ -</u>	<u>-</u>	<u>303,022</u>	<u>303,022</u>
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>			\$ 101,483	
Adjustments to Revenues			(2,098)	
Adjustments to Expenditures			4,224	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 103,609</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 PUBLIC EDUCATION DEPARTMENT  
 New Mexico School for the Arts  
 Schedule of Budgetary Comparisons - Budgetary Basis  
 Instructional Materials 14000  
 For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
State Grant	\$ -	15,012	15,012	-
<b>Total Revenues</b>	<u>-</u>	<u>15,012</u>	<u>15,012</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	-	15,397	9,216	6,181
<b>Total Expenditures</b>	<u>-</u>	<u>15,397</u>	<u>9,216</u>	<u>6,181</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(385)</u>	<u>5,796</u>	<u>6,181</u>
<b>Other Financing Sources (Uses):</b>				
Designated Cash	-	385	-	(385)
<b>Total Other Financing Sources (Uses):</b>	<u>-</u>	<u>385</u>	<u>-</u>	<u>(385)</u>
<b>Net Changes in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>5,796</u>	<u>5,796</u>
<b>Cash or Fund Balances - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>385</u>	<u>385</u>
<b>Cash or Fund Balances - End of Year</b>	<u>\$ -</u>	<u>-</u>	<u>6,181</u>	<u>6,181</u>
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 5,796	
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>987</u>	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 6,783</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Schedule of Budgetary Comparisons - Budgetary Basis  
Food Services 21000  
For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
Federal Grant	\$ 16,000	16,000	14,779	(1,221)
Fees	18,100	3,100	9,694	6,594
<b>Total Revenues</b>	<b>34,100</b>	<b>19,100</b>	<b>24,473</b>	<b>5,373</b>
<b>EXPENDITURES</b>				
Current:				
Food Services Operations	34,100	20,459	20,146	313
<b>Total Expenditures</b>	<b>34,100</b>	<b>20,459</b>	<b>20,146</b>	<b>313</b>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(1,359)	4,327	5,686
<b>Other Financing Sources (Uses):</b>				
Designated Cash	-	1,359	-	(1,359)
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>1,359</b>	<b>-</b>	<b>(1,359)</b>
<b>Net Changes in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>4,327</b>	<b>4,327</b>
<b>Cash or Fund Balances - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash or Fund Balances - End of Year</b>	<b>\$ -</b>	<b>-</b>	<b>4,327</b>	<b>4,327</b>
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 4,327	
Adjustments to Revenues			(814)	
Adjustments to Expenditures			-	
<b>NET CHANGE IN FUND BALANCE</b>			<b>\$ 3,513</b>	

The accompanying notes are an integral part of these financial statements



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Schedule of Budgetary Comparisons - Budgetary Basis  
Title I IASA 24101  
For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
Federal Grant	\$ 21,316	37,397	33,473	(3,924)
<b>Total Revenues</b>	<u>21,316</u>	<u>37,397</u>	<u>33,473</u>	<u>(3,924)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	17,516	33,597	27,332	6,265
Support Services:				
Students	3,800	3,800	3,711	89
<b>Total Expenditures</b>	<u>21,316</u>	<u>37,397</u>	<u>31,043</u>	<u>6,354</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>2,430</u>	<u>2,430</u>
<b>Net Changes in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>2,430</u>	<u>2,430</u>
<b>Cash or Fund Balances - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash or Fund Balances - End of Year</b>	<u>\$ -</u>	<u>-</u>	<u>2,430</u>	<u>2,430</u>
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,430	
Adjustments to Revenues			(2,430)	
Adjustments to Expenditures			-	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 PUBLIC EDUCATION DEPARTMENT  
 New Mexico School for the Arts  
 Schedule of Budgetary Comparisons - Budgetary Basis  
 IDEA-B Entitlement 24106  
 For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
Federal Grant	\$ 26,679	52,810	33,496	(19,314)
<b>Total Revenues</b>	<u>26,679</u>	<u>52,810</u>	<u>33,496</u>	<u>(19,314)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	23,000	42,734	42,722	12
Support Services:				
Students	3,679	10,076	3,401	6,675
<b>Total Expenditures</b>	<u>26,679</u>	<u>52,810</u>	<u>46,123</u>	<u>6,687</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(12,627)</u>	<u>(12,627)</u>
<b>Net Changes in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>(12,627)</u>	<u>(12,627)</u>
<b>Cash or Fund Balances - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash or Fund Balances - End of Year</b>	<u>\$ -</u>	<u>-</u>	<u>(12,627)</u>	<u>(12,627)</u>
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (12,627)	
Adjustments to Revenues			12,627	
Adjustments to Expenditures			-	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 PUBLIC EDUCATION DEPARTMENT  
 New Mexico School for the Arts  
 Schedule of Budgetary Comparisons - Budgetary Basis  
 IDEA-B Risk Pool 24120  
 For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
Federal Grant	\$ -	37	37	-
<b>Total Revenues</b>	-	37	37	-
<b>EXPENDITURES</b>				
Current:				
Support Services:				
Students	-	37	37	-
<b>Total Expenditures</b>	-	37	37	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
<b>Net Changes in Fund Balances</b>	-	-	-	-
<b>Cash or Fund Balances - Beginning of Year</b>	-	-	-	-
<b>Cash or Fund Balances - End of Year</b>	\$ -	-	-	-
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
<b>NET CHANGE IN FUND BALANCE</b>			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 PUBLIC EDUCATION DEPARTMENT  
 New Mexico School for the Arts  
 Schedule of Budgetary Comparisons - Budgetary Basis  
 Teacher Principal Training 24154  
 For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
Federal Grant	\$ 6,036	13,888	4,841	(9,047)
<b>Total Revenues</b>	<b>6,036</b>	<b>13,888</b>	<b>4,841</b>	<b>(9,047)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	6,036	13,888	13,366	522
<b>Total expenditures</b>	<b>6,036</b>	<b>13,888</b>	<b>13,366</b>	<b>522</b>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(8,525)	(8,525)
<b>Net changes in Fund Balances</b>	-	-	(8,525)	(8,525)
<b>Cash or Fund Balances - Beginning of Year</b>	-	-	-	-
<b>Cash or Fund Balances - End of Year</b>	<b>\$ -</b>	<b>-</b>	<b>(8,525)</b>	<b>(8,525)</b>
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (8,525)	
Adjustments to Revenues			8,525	
Adjustments to Expenditures			-	
<b>NET CHANGE IN FUND BALANCE</b>			<b>\$ -</b>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Schedule of Budgetary Comparisons - Budgetary Basis  
Dual Credit 27103  
For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
State Grant	\$ -	366	365	(1)
<b>Total Revenues</b>	-	366	365	(1)
<b>EXPENDITURES</b>				
Current:				
Instruction	-	366	365	1
<b>Total Expenditures</b>	-	366	365	1
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
<b>Net Changes in Fund Balances</b>	-	-	-	-
<b>Cash or Fund Balances - Beginning of Year</b>	-	-	-	-
<b>Cash or Fund Balances - End of Year</b>	\$ -	-	-	-
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>NET CHANGE IN FUND BALANCE</b>			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Schedule of Budgetary Comparisons - Budgetary Basis  
2012 SB-66 Student Library 27107  
For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
State Grant	\$ 4,244	6,745	-	(6,745)
<b>Total Revenues</b>	<u>4,244</u>	<u>6,745</u>	<u>-</u>	<u>(6,745)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	4,244	-	-	-
Support Services:				
Instruction	-	6,745	3,216	3,529
<b>Total Expenditures</b>	<u>4,244</u>	<u>6,745</u>	<u>3,216</u>	<u>3,529</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,216)</u>	<u>(10,274)</u>
<b>Net Changes in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>(3,216)</u>	<u>(10,274)</u>
<b>Cash or Fund Balances - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash or Fund Balances - End of Year</b>	<u>\$ -</u>	<u>-</u>	<u>(3,216)</u>	<u>(10,274)</u>
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (3,216)	
Adjustments to revenues			3,216	
Adjustments to expenditures			-	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Schedule of Budgetary Comparisons - Budgetary Basis  
Private Dir Grants 29102  
For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
Local & County Grant	\$ 75,000	107,715	115,787	(8,072)
<b>Total Revenues</b>	<b>75,000</b>	<b>107,715</b>	<b>115,787</b>	<b>(8,072)</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	27,659	56,992	52,298	4,694
Support Services:				
Instruction	57,858	61,240	61,233	7
<b>Total Expenditures</b>	<b>85,517</b>	<b>118,232</b>	<b>113,531</b>	<b>4,701</b>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<b>(10,517)</b>	<b>(10,517)</b>	<b>2,256</b>	<b>(3,371)</b>
<b>Other financing sources (uses):</b>				
Designated Cash	10,517	10,517	-	(10,517)
<b>Total other financing sources (uses):</b>	<b>10,517</b>	<b>10,517</b>	<b>-</b>	<b>(10,517)</b>
<b>Net Changes in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>2,256</b>	<b>(13,888)</b>
<b>Cash or Fund Balances - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>78,443</b>	<b>78,443</b>
<b>Cash or Fund Balances - End of Year</b>	<b>\$ -</b>	<b>-</b>	<b>80,699</b>	<b>64,555</b>
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 2,256	
Adjustments to Revenues			1,330	
Adjustments to Expenditures			-	
<b>NET CHANGE IN FUND BALANCE</b>			<b>\$ 3,586</b>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 PUBLIC EDUCATION DEPARTMENT  
 New Mexico School for the Arts  
 Schedule of Budgetary Comparisons - Budgetary Basis  
 Public School Capital Outlay 31200  
 For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
State Grant	\$ -	143,937	145,135	1,198
<b>Total Revenues</b>	-	143,937	145,135	1,198
<b>EXPENDITURES</b>				
Capital Outlay	-	143,937	143,937	-
<b>Total Expenditures</b>	-	143,937	143,937	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	1,198	1,198
<b>Net Changes in Fund Balances</b>	-	-	1,198	1,198
<b>Cash or Fund Balances - Beginning of Year</b>	-	-	-	-
<b>Cash or Fund Balances - End of Year</b>	\$ -	-	1,198	1,198
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 1,198	
Adjustments to Revenues			(1,198)	
Adjustments to Expenditures			-	
<b>NET CHANGE IN FUND BALANCE</b>			\$ -	

The accompanying notes are an integral part of these financial statements



STATE OF NEW MEXICO  
 PUBLIC EDUCATION DEPARTMENT  
 New Mexico School for the Arts  
 Schedule of Budgetary Comparisons - Budgetary Basis  
 Special Capital Outlay - State 31400  
 For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
State Grant	\$ 100,000	310,000	-	(310,000)
<b>Total Revenues</b>	<u>100,000</u>	<u>310,000</u>	<u>-</u>	<u>(310,000)</u>
<b>EXPENDITURES</b>				
Capital Outlay	100,000	310,000	61,711	248,289
<b>Total Expenditures</b>	<u>100,000</u>	<u>310,000</u>	<u>61,711</u>	<u>248,289</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(61,711)	(61,711)
<b>Net Changes in Fund Balances</b>	-	-	(61,711)	(61,711)
<b>Cash or Fund Balances - Beginning of Year</b>	-	-	-	-
<b>Cash or Fund Balances - End of Year</b>	<u>\$ -</u>	<u>-</u>	<u>(61,711)</u>	<u>(61,711)</u>
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ (61,711)	
Adjustments to Revenues			61,711	
Adjustments to Expenditures			-	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 PUBLIC EDUCATION DEPARTMENT  
 New Mexico School for the Arts  
 Schedule of Budgetary Comparisons - Budgetary Basis  
 HB-33 Capital Improvements 31600  
 For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property Taxes	\$ 111,209	111,209	106,554	(4,655)
<b>Total Revenues</b>	<b>111,209</b>	<b>111,209</b>	<b>106,554</b>	<b>(4,655)</b>
<b>EXPENDITURES</b>				
Current:				
Support Services:				
General Administration	3,500	3,500	1,066	2,434
Capital Outlay	107,709	107,709	-	107,709
<b>Total Expenditures</b>	<b>111,209</b>	<b>111,209</b>	<b>1,066</b>	<b>110,143</b>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	105,488	105,488
<b>Other Financing Sources (Uses):</b>				
Designated Cash	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>105,488</b>	<b>105,488</b>
<b>Cash or Fund Balances - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash or Fund Balances - End of Year</b>	<b>\$ -</b>	<b>-</b>	<b>105,488</b>	<b>105,488</b>
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 105,488	
Adjustments to Revenues			1,466	
Adjustments to Expenditures			-	
<b>NET CHANGE IN FUND BALANCE</b>			<b>\$ 106,954</b>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Schedule of Budgetary Comparisons - Budgetary Basis  
SB-9 Capital Improvements 31700  
For The Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
<b>REVENUES</b>				
Property Taxes	\$ 152,810	152,810	150,330	(2,480)
State Grant	-	4,988	-	(4,988)
<b>Total Revenues</b>	<b>152,810</b>	<b>157,798</b>	<b>150,330</b>	<b>(7,468)</b>
<b>EXPENDITURES</b>				
Current:				
Support Services:				
General Administration	3,500	3,500	1,503	1,997
Capital Outlay	375,231	398,784	40,474	358,310
<b>Total Expenditures</b>	<b>378,731</b>	<b>402,284</b>	<b>41,977</b>	<b>360,307</b>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(225,921)</i>	<i>(244,486)</i>	<i>108,353</i>	<i>352,839</i>
<b>Other Financing Sources (Uses):</b>				
Designated Cash	225,921	244,486	-	(244,486)
<b>Total Other Financing Sources (Uses):</b>	<b>225,921</b>	<b>244,486</b>	<b>-</b>	<b>(244,486)</b>
<b>Net Changes in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>108,353</b>	<b>108,353</b>
<b>Cash or Fund Balances - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>246,759</b>	<b>246,759</b>
<b>Cash or Fund Balances - End of Year</b>	<b>\$ -</b>	<b>-</b>	<b>355,112</b>	<b>355,112</b>
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>			\$ 108,353	
Adjustments to Revenues			(107)	
Adjustments to Expenditures			23	
<b>NET CHANGE IN FUND BALANCE</b>			<b>\$ 108,269</b>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Schedule of Collateral Pledged by Depository for Public Funds  
June 30, 2016

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2016</u>
Wells Fargo	FNMA FNMS	3138WVPE5	6/1/2043	\$ 294,921
Wells Fargo	FNMA FNMS	31417FYS1	3/1/2043	62,124
Wells Fargo	FNMA FNMS	31418AAM0	10/1/2026	83,028
				<u>\$ 440,073</u>

Total Cash per Schedule of Cash Accounts:	\$ 899,417
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	649,417
Collateral Requirement:	324,709
Pledged Collateral Held by Pledging Financial Institution:	<u>440,073</u>
<b>Balance Over Collateralized:</b>	<b><u>\$ 115,364</u></b>
<b>Balance Uninsured and Uncollateralized at June 30, 2016:</b>	<b><u>\$ -</u></b>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 PUBLIC EDUCATION DEPARTMENT  
 New Mexico School for the Arts  
 Schedule of Cash Accounts  
 June 30, 2016

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 899,417
<b><i>Total on Deposit</i></b>	899,417
Reconciling Items	<u>(27,289)</u>
Reconciled Balance June 30, 2016	<u>872,128</u>
Less Agency Funds	<u>(9,375)</u>
<b><i>Total Cash</i></b>	<u><u>\$ 862,753</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Cash Reconciliation  
June 30, 2016

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000
Cash, June 30, 2015	\$ 198,009	385	1,369	7,790
Add:				
2015-16 revenues	2,069,386	15,012	24,473	19,796
<b>Total Cash Available</b>	2,267,395	15,397	25,842	27,586
Less:				
2015-16 expenditures	(1,967,903)	(9,216)	(20,146)	(18,211)
Receivables/Payables	(3,623)	-	(11)	-
Outstanding Loans	(13,139)	-	-	-
<b>Cash June 30, 2016</b>	282,730	6,181	5,685	9,375
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	-	-	-	-
<b>Cash Per Books</b>	282,730	6,181	5,685	9,375
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	22,418	987	644	(9,375)
Fund Balance, Modified Accrual Basis	\$ 305,148	7,168	6,329	-

The accompanying notes are an integral part of these financial statements

<b>Federal Projects Account 24000</b>	<b>State Account 27000</b>	<b>Local and State 29000</b>	<b>Public School Capital Outlay 31200</b>	<b>Special Capital Outlay 31400</b>
-	-	84,403	-	-
71,847	365	115,787	145,135	-
71,847	365	200,190	145,135	-
(90,569)	(3,581)	(113,531)	(143,937)	(61,711)
1,877	67,434	3,964	1	-
16,845	(64,218)	-	(1,199)	61,711
-	-	90,623	-	-
-	-	-	-	-
-	-	90,623	-	-
-	-	(8,594)	-	-
-	-	82,029	-	-

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
New Mexico School for the Arts  
Cash Reconciliation  
June 30, 2016

	HB-33 Capital Improvements <u>31600</u>	SB-9 Capital Improvements <u>31700</u>	Educational Technology Equipment <u>31900</u>	<u>Total</u>
Cash, June 30, 2015	\$ -	244,486	28,309	564,751
Add:				
2015-16 revenues	<u>106,554</u>	<u>150,330</u>	<u>-</u>	<u>2,718,685</u>
<b>Total Cash Available</b>	106,554	394,816	28,309	3,283,436
Less:				
2015-16 expenditures	(1,066)	(41,977)	(9,103)	(2,480,951)
Receivables/Payables	1	-	-	69,643
Outstanding Loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash June 30, 2016</b>	<u>105,489</u>	<u>352,839</u>	<u>19,206</u>	<u>872,128</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Per Books</b>	<u>105,489</u>	<u>352,839</u>	<u>19,206</u>	<u>872,128</u>
			Less-Agency Fund:	<u>(9,375)</u>
				<u>\$ 862,753</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	1,465	2,189	-	9,734
Fund Balance, Modified Accrual Basis	<u>\$ 106,954</u>	<u>355,028</u>	<u>19,206</u>	<u>881,862</u>
			Balance Sheets - Governmental Funds:	<u>\$ 881,862</u>

The accompanying notes are an integral part of these financial statements