



STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2015

De'Aun Willoughby CPA, PC
Certified Public Accountant
Clovis, New Mexico



STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
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STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Official Roster
June 30, 2015

BOARD OF EDUCATION

John Hemphill	President
Kelly Zamora	Vice-President
Antoinette Rossi	Secretary
Matt Ferguson	Member
Chris Barela	Member

SCHOOL OFFICIALS

Ricky Lino Espinoza	Superintendent
Elizabeth Montoya	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

Independent Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Carrizozo Municipal Schools

Mr. Keller and Members of the Board

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 funds and major special revenue funds of Carrizozo Municipal School (District), as of and for the year ended June 30, 2015, 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 nonmajor governmental funds, and the budgetary comparisons for the major capital projects, debt service, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2015, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2015, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital projects and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The schedule required by 2.2.2.NMAC is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The schedule required by 2.2.2 NMAC is the responsibility of management and was 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 required by 2.2.2 NMAC is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2015, 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.

De'Ann Willoughby CPA PC

Clovis, New Mexico
October 28, 2015

FINANCIAL SECTION

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 Government-Wide Statement of Net Position
 June 30, 2015

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 615,686
Property Taxes Receivable	56,849
Due from Grantor	47,264
Total Current Assets	<u>719,799</u>
Noncurrent Assets	
Capital Assets	9,763,314
Less: Accumulated Depreciation	<u>(1,183,962)</u>
Total Noncurrent Assets	<u>8,579,352</u>
Total Assets	<u>9,299,151</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	250,525
Total Deferred Outflows of Resources	<u>250,525</u>
Liabilities	
Current Liabilities	
Accounts Payable	4,024
Compensated Absences	11,588
Accrued Interest	26,796
Current Portion of Long-Term Debt	255,000
Total Current Liabilities	<u>297,408</u>
Noncurrent Liabilities	
Bonds	2,685,000
Pension Liability	2,462,013
Total Noncurrent Liabilities	<u>5,147,013</u>
Total Liabilities	<u>5,444,421</u>
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	260,514
Total Deferred Inflows of Resources	<u>260,514</u>
Net Position	
Net Investment in Capital Assets	5,639,352
Restricted for:	
Capital Projects	61,900
Debt Service	55,502
Unrestricted	<u>(1,912,013)</u>
Total Net Position	<u>\$ 3,844,741</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 1,658,655	\$ 4,402	\$ 206,427	\$ 0	\$ (1,447,826)
Support Services					
Students	186,051	6,985	27,629	0	(151,437)
Instruction	56,445	0	193	0	(56,252)
General Administration	118,133	0	0	0	(118,133)
School Administration	102,718	0	0	0	(102,718)
Central Services	87,886	0	0	0	(87,886)
Operation of Plant	417,203	0	0	0	(417,203)
Student Transportation	203,227	0	204,315	0	1,088
Food Services Operations	100,993	7,900	87,218	0	(5,875)
Interest on Long-Term Obligations & Other Charges					
	99,671	0	0	0	(99,671)
Total Governmental Activities	\$ 3,030,982	\$ 19,287	\$ 525,782	\$ 0	(2,485,913)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					21,649
Property Taxes, Levied for Capital Projects					118,138
Property Taxes, Levied for Debt Service					319,900
Federal and State aid not restricted to specific purpose					
General					1,978,482
Capital					0
Miscellaneous					17,227
Subtotal, General Revenues					2,455,396
Change in Net Position					(30,517)
Net Position - Beginning					4,737,091
Restatement					(861,833)
Restated Beginning Net Position					3,875,258
Net Position - Ending					\$ 3,844,741

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2015

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
Assets			
Cash and Cash Equivalents	\$ 115,032	\$ 19,342	\$ 7,474
Receivables			
Taxes Receivable	2,644	0	0
Due From Grantor	0	0	0
Interfund Balances	47,264	0	0
Total Assets	<u>\$ 164,940</u>	<u>\$ 19,342</u>	<u>\$ 7,474</u>
Liabilities			
Accounts Payable	\$ 4,024	\$ 0	\$ 0
Interfund Balance	0	0	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Total Liabilities	<u>4,024</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources			
Unavailable Revenue	<u>2,578</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>2,578</u>	<u>0</u>	<u>0</u>
Fund Balances			
Restricted for Special Revenue	0	0	0
Restricted for Capital Projects	0	0	0
Restricted for Debt Service	0	0	0
Assigned for Capital Projects	0	0	0
Unassigned	158,338	19,342	7,474
Total Fund Balances	<u>158,338</u>	<u>19,342</u>	<u>7,474</u>
Total Liabilities, Deferred Inflows and Fund Balances			
	<u>\$ 164,940</u>	<u>\$ 19,342</u>	<u>\$ 7,474</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2015

	Special Revenue		
	Title I 24101	Bond Building 31000	Senate Bill Nine 31700
Assets			
Cash and Cash Equivalents	\$ 0	\$ 61,900	\$ 85,730
Receivables			
Taxes Receivable	0	0	14,558
Due From Grantor	38,941	0	0
Interfund Balances	0	0	0
Total Assets	<u>\$ 38,941</u>	<u>\$ 61,900</u>	<u>\$ 100,288</u>
Liabilities			
Accounts Payable	\$ 0	\$ 0	0
Interfund Balance	38,941	0	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Total Liabilities	<u>38,941</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	0	14,150
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>14,150</u>
Fund Balances			
Restricted for Special Revenue	0	0	0
Restricted for Capital Projects	0	61,900	0
Restricted for Debt Service	0	0	0
Assigned for Capital Projects	0	0	86,138
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>61,900</u>	<u>86,138</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 38,941</u>	<u>\$ 61,900</u>	<u>\$ 100,288</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2015

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 316,110	\$ 10,098	\$ 615,686
Receivables			
Taxes Receivable	39,647	0	56,849
Due From Grantor	0	8,323	47,264
Interfund Balances	0	0	47,264
Total Assets	<u>\$ 355,757</u>	<u>\$ 18,421</u>	<u>\$ 767,063</u>
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 4,024
Interfund Balance	0	8,323	47,264
Current Portion Due			
Principal	235,000	0	235,000
Interest	26,796	0	26,796
Total Liabilities	<u>261,796</u>	<u>8,323</u>	<u>313,084</u>
Deferred Inflows of Resources			
Unavailable Revenue	38,459	0	55,187
Total Deferred Inflows of Resources	<u>38,459</u>	<u>0</u>	<u>55,187</u>
Fund Balances			
Restricted for Special Revenue	0	10,098	10,098
Restricted for Capital Projects	0	0	61,900
Restricted for Debt Service	55,502	0	55,502
Assigned for Capital Projects	0	0	86,138
Unassigned	0	0	185,154
Total Fund Balances	<u>55,502</u>	<u>10,098</u>	<u>398,792</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 355,757</u>	<u>\$ 18,421</u>	<u>\$ 767,063</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2015

Total Fund Balance - Governmental Funds \$ 398,792

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

Property taxes receivable will be collected after the period of availability, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 55,187

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

Capital Assets	\$ 9,763,314	
Accumulated Depreciation	<u>(1,183,962)</u>	8,579,352

Deferred Outflows and Inflows Related to Pensions are the results of differences in expected and actual actuary experience and the difference in actuary projected and actual earnings. Also changes in proportion and differences between contributions and proportionate share of contributions.

Deferred Outflows Related to Pensions	250,525	
Deferred Inflows Related to Pensions	<u>(260,514)</u>	(9,989)

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Bonds payable-GWFS	(2,940,000)	
Current Principal Due-Balance Sheet	235,000	
Compensated Absences	(11,588)	
Pension Liability	(2,462,013)	
Accrued Interest-GWFS	(26,796)	
Current Interest Due-Balance Sheet	<u>26,796</u>	<u>(5,178,601)</u>

Total Net Position - Governmental Activities \$ 3,844,741

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2015

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
Revenues			
Property Taxes	\$ 21,517	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	1,970,414	188,089	10,530
Federal Grants	8,068	0	0
Miscellaneous	16,791	436	0
Total Revenues	2,016,790	188,525	10,530
Expenditures			
Current			
Instruction	1,118,001	0	5,917
Support Services			
Students	143,726	0	0
Instruction	55,860	0	0
General Administration	118,445	0	0
School Administration	100,616	0	0
Central Services	88,343	0	0
Operation and Maintenance of Plant	307,137	0	0
Student Transportation	934	195,575	0
Food Services Operations	11,674	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	1,944,736	195,575	5,917
Excess (Deficiency) of Revenues Over Expenditures	<u>72,054</u>	<u>(7,050)</u>	<u>4,613</u>
Other Financial Sources			
Bond Issue	0	0	0
Total Other Financial Sources	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	72,054	(7,050)	4,613
Fund Balances at Beginning of Year	86,284	26,392	2,861
Restatement	0	0	0
Restated Beginning Fund Balances	86,284	26,392	2,861
Fund Balances End of Year	\$ 158,338	\$ 19,342	\$ 7,474

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2015

	Special		
	Revenue	Capital Projects	
	Title I 24101	Bond Building 31000	Senate Bill Nine 31700
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 117,189
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	94,608	0	0
Miscellaneous	0	0	0
Total Revenues	94,608	0	117,189
Expenditures			
Current			
Instruction	72,068	92,913	6,774
Support Services			
Students	22,540	0	0
Instruction	0	0	0
General Administration	0	0	1,168
School Administration	0	0	0
Central Services	0	0	0
Operation and Maintenance of Plant	0	0	105,499
Student Transportation	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	614,088	42,152
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	36,044	0
Total Expenditures	94,608	743,045	155,593
Excess (Deficiency) of Revenues Over Expenditures	0	(743,045)	(38,404)
Other Financial Sources			
Bond Issue	0	800,000	0
Total Other Financial Sources	0	800,000	0
Net Change in Fund Balances	0	56,955	(38,404)
Fund Balances at Beginning of Year	0	4,945	141,381
Restatement	0	0	(16,839)
Restated Beginning Fund Balances	0	4,945	124,542
Fund Balances End of Year	\$ 0	\$ 61,900	\$ 86,138

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2015

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$ 318,083	\$ 0	\$ 456,789
Fees	0	19,287	19,287
State & Local Grants	0	99,484	2,268,517
Federal Grants	0	133,071	235,747
Miscellaneous	0	0	17,227
Total Revenues	<u>318,083</u>	<u>251,842</u>	<u>2,997,567</u>
Expenditures			
Current			
Instruction	0	140,177	1,435,850
Support Services			
Students	0	18,484	184,750
Instruction	0	0	55,860
General Administration	3,169	0	122,782
School Administration	0	193	100,809
Central Services	0	0	88,343
Operation and Maintenance of Plant	0	0	412,636
Student Transportation	0	5,696	202,205
Food Services Operations	0	88,887	100,561
Capital Outlay	0	0	656,240
Debt Service			
Principal	255,000	0	255,000
Interest	59,043	0	59,043
Bond Issue Costs	0	0	36,044
Total Expenditures	<u>317,212</u>	<u>253,437</u>	<u>3,710,123</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>871</u>	<u>(1,595)</u>	<u>(712,556)</u>
Other Financial Sources			
Bond Issue	0	0	800,000
Total Other Financial Sources	<u>0</u>	<u>0</u>	<u>800,000</u>
Net Change in Fund Balances	<u>871</u>	<u>(1,595)</u>	<u>87,444</u>
Fund Balances at Beginning of Year	54,631	11,693	328,187
Restatement	0	0	(16,839)
Restated Beginning Fund Balances	<u>54,631</u>	<u>11,693</u>	<u>311,348</u>
Fund Balances End of Year	<u>\$ 55,502</u>	<u>\$ 10,098</u>	<u>\$ 398,792</u>

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

STATE OF NEW MEXICO

CARRIZO MUNICIPAL SCHOOLS

Reconciliation of the Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balance

To the Statement of Activities

June 30, 2015

Net Change in Fund Balances	\$	87,444
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as unavailable revenues. They are however, recorded as revenues in the Statement of Activities.

Property Taxes Receivable, June 30, 2014	\$ (52,289)	
Property Taxes Receivable, June 30, 2015	<u>55,187</u>	2,898

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.

Depreciation expense	(208,432)	
Capital Outlays	<u>656,240</u>	447,808

The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net position. (800,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal paid for bonds		255,000
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Interest is accrued through year end but the Balance Sheet included interest payable within thirty day of year end. This is the difference in the accrued interest and the current amount due.

Difference on June 30, 2014	(4,584)	
Difference on June 30, 2015	<u>0</u>	(4,584)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences, June 30, 2014	15,404	
Compensated Absences, June 30, 2015	<u>(11,588)</u>	3,816

Pension contributions are reported as expenses in the government funds but are deferred outflows in the Statement of Net Position. Pension expense is reported in the Statement of Activities but not in the governmental funds.

Pension Contributions	174,124	
Pension Expense	<u>(197,023)</u>	<u>(22,899)</u>

Changes in Net Position of Governmental Activities	\$	<u><u>(30,517)</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 21,310	\$ 21,310	\$ 21,448	\$ 138
State Grants	1,969,856	1,970,307	1,970,414	107
Federal Grants	0	721	8,068	7,347
Miscellaneous	0	0	16,792	16,792
Total Revenues	<u>1,991,166</u>	<u>1,992,338</u>	<u>2,016,722</u>	<u>24,384</u>
Expenditures				
Instruction				
Personnel Services	865,477	833,602	791,196	42,406
Employee Benefits	324,548	316,282	259,718	56,564
Professional & Tech Services	7,000	12,000	7,567	4,433
Other Purchased Services	5,037	5,037	42,576	(37,539)
Supplies	13,847	24,676	20,478	4,198
Total Instruction	<u>1,215,909</u>	<u>1,191,597</u>	<u>1,121,535</u>	<u>70,062</u>
Support Services				
Students				
Personnel Services	43,982	43,982	44,682	(700)
Employee Benefits	11,306	11,306	11,360	(54)
Professional & Tech Services	48,550	65,682	67,295	(1,613)
Other Purchased Services	45,000	23,927	20,179	3,748
Supplies	1,000	1,000	210	790
Total Students	<u>149,838</u>	<u>145,897</u>	<u>143,726</u>	<u>2,171</u>
Instruction				
Personnel Services	37,451	37,764	37,451	313
Employee Benefits	16,369	14,996	15,848	(852)
Professional & Tech Services	3,000	3,000	2,560	440
Other Purchased Services	0	0	0	0
Supplies	100	100	0	100
Total Instruction	<u>56,920</u>	<u>55,860</u>	<u>55,859</u>	<u>1</u>
General Administration				
Personnel Services	64,252	65,193	64,483	710
Employee Benefits	31,796	16,412	17,501	(1,089)
Professional & Tech Services	28,905	28,405	25,374	3,031
Other Purchased Services	5,500	5,500	5,835	(335)
Supplies	5,620	5,620	5,504	116
Total General Administration	<u>\$ 136,073</u>	<u>\$ 121,130</u>	<u>\$ 118,697</u>	<u>\$ 2,433</u>

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
School Administration				
Personnel Services	\$ 70,236	\$ 70,258	\$ 71,599	\$ (1,341)
Employee Benefits	32,009	29,909	28,089	1,820
Supplies	500	500	928	(428)
Supply Assets	0	0	0	0
Total School Administration	<u>102,745</u>	<u>100,667</u>	<u>100,616</u>	<u>51</u>
Central Services				
Personnel Services	27,464	51,850	51,819	31
Employee Benefits	14,056	21,348	21,291	57
Professional & Tech Services	7,700	10,610	10,336	274
Other Purchased Services	1,500	3,071	2,568	503
Supplies	1,000	1,778	1,595	183
Supply Assets	0	719	718	1
Total Central Services	<u>51,720</u>	<u>89,376</u>	<u>88,327</u>	<u>1,049</u>
Operation of Plant				
Personnel Services	56,140	56,140	56,944	(804)
Employee Benefits	51,441	35,576	33,703	1,873
Purchased Property Services	112,500	127,720	125,273	2,447
Other Purchased Services	74,635	75,280	73,461	1,819
Supplies	21,200	20,085	14,168	5,917
Total Operation of Plant	<u>315,916</u>	<u>314,801</u>	<u>303,549</u>	<u>11,252</u>
Student Transportation				
Other Purchased Services	1,000	1,000	934	66
Total Student Transportation	<u>1,000</u>	<u>1,000</u>	<u>934</u>	<u>66</u>
Other Services				
Miscellaneous	3,565	3,565	0	3,565
Total Other Services	<u>3,565</u>	<u>3,565</u>	<u>0</u>	<u>3,565</u>
Total Support Services	<u>667,939</u>	<u>832,296</u>	<u>811,708</u>	<u>20,588</u>
Food Service				
Personnel Services	0	2,000	2,000	0
Employee Benefits	0	153	153	0
Purchased Property Services	0	10,000	9,403	597
Supplies	0	0	118	(118)
Total Food Service	<u>0</u>	<u>12,153</u>	<u>11,674</u>	<u>479</u>
Total Expenditures	<u>1,883,848</u>	<u>2,036,046</u>	<u>1,944,917</u>	<u>91,129</u>

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	107,318	(43,708)	71,805	115,513
Cash Balance Beginning of Year	90,491	90,491	90,491	0
Cash Balance End of Year	\$ <u>197,809</u>	\$ <u>46,783</u>	\$ <u>162,296</u>	\$ <u>115,513</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 71,805	
Net Change in Taxes Receivable			198	
Net Change in Accounts Payables			183	
Net Change in Unavailable Revenue			(132)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>72,054</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 165,045	\$ 188,089	\$ 188,089	\$ 0
Other	0	0	436	436
Total Revenues	<u>165,045</u>	<u>188,089</u>	<u>188,525</u>	<u>436</u>
Expenditures				
Student Transportation				
Personnel Services	37,864	50,364	59,946	(9,582)
Employee Benefits	11,704	16,439	18,133	(1,694)
Purchased Property Services	1,741	6,741	1,916	4,825
Other Purchased Services	99,836	115,484	100,820	14,664
Supplies	13,900	14,400	3,707	10,693
Returned to PED	0	0	15,339	(15,339)
Total Student Transportation	<u>165,045</u>	<u>203,428</u>	<u>199,861</u>	<u>3,567</u>
Total Expenditures	<u>165,045</u>	<u>203,428</u>	<u>199,861</u>	<u>3,567</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(15,339)	(11,336)	4,003
Cash Balance Beginning of Year	<u>30,678</u>	<u>30,678</u>	<u>30,678</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 30,678</u>	<u>\$ 15,339</u>	<u>\$ 19,342</u>	<u>\$ 4,003</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (11,336)	
Net change in Accounts Payables			4,286	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (7,050)</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grants	\$ 7,759	\$ 7,759	\$ 10,530	\$ 2,771
Total Revenues	<u>7,759</u>	<u>7,759</u>	<u>10,530</u>	<u>2,771</u>
Expenditures				
Instruction				
Supplies	<u>7,759</u>	<u>7,759</u>	<u>5,917</u>	<u>1,842</u>
Total Instruction	<u>7,759</u>	<u>7,759</u>	<u>5,917</u>	<u>1,842</u>
Total Expenditures	<u>7,759</u>	<u>7,759</u>	<u>5,917</u>	<u>1,842</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	4,613	4,613
Cash Balance Beginning of Year	<u>2,861</u>	<u>2,861</u>	<u>2,861</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,861</u>	<u>\$ 2,861</u>	<u>\$ 7,474</u>	<u>\$ 4,613</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>4,613</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>4,613</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grants	\$ 141,734	\$ 163,124	\$ 107,998	\$ (55,126)
Total Revenues	<u>141,734</u>	<u>163,124</u>	<u>107,998</u>	<u>(55,126)</u>
Expenditures				
Instruction				
Personnel Services	29,485	40,800	42,400	(1,600)
Employee Benefits	22,232	25,612	17,220	8,392
Professional & Tech Services	8,940	15,535	6,717	8,818
Other Purchased Services	0	100	114	(14)
Supplies	1,438	1,438	5,618	(4,180)
Total Instruction	<u>62,095</u>	<u>83,485</u>	<u>72,069</u>	<u>11,416</u>
Support Services				
Instruction				
Personnel Services	21,978	21,978	18,157	3,821
Employee Benefits	5,330	5,330	4,346	984
Other Purchased Services	0	0	36	(36)
Total Instruction	<u>27,308</u>	<u>27,308</u>	<u>22,539</u>	<u>4,769</u>
Total Support Services	<u>27,308</u>	<u>27,308</u>	<u>22,539</u>	<u>4,769</u>
Total Expenditures	<u>89,403</u>	<u>110,793</u>	<u>94,608</u>	<u>16,185</u>
Excess (Deficiency) of Revenues Over Expenditures	52,331	52,331	13,390	(38,941)
Cash Balance Beginning of Year	<u>(52,331)</u>	<u>(52,331)</u>	<u>(52,331)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (38,941)</u>	<u>\$ (38,941)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 13,390	
Net Change in Due from Grantor			(13,390)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Statement of Fiduciary Assets and Liabilities-Agency Funds
June 30, 2015

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 38,443
Total Assets	<u>\$ 38,443</u>
Liabilities	
Deposits Held for Others	\$ 38,443
Total Liabilities	<u>\$ 38,443</u>

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

Summary of Significant Accounting Policies

The financial statements of the Carrizozo Municipal Schools (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

The District has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

GASB Statement No. 14 established criteria for determining the governmental 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 District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

Governmental Funds

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 general long-term debt.

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

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.

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

The District reports the following major governmental funds:

General Fund (11000)(13000)(14000)

The General Fund consist of four sub funds. The first is the Operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Teacherage accounts for rents collected from teachers and related expenditures. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

Title I (24101). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

Bond Building (31000). To account for a bond issue to spend of capital improvements.

Senate Bill Nine (31700). The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Debt Service Fund (41000). To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values. Expenditures are restricted to debt reduction.

Measurement Focus and Basis of Accounting
Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions, and including grants for transportation, instructional materials, food service, special revenue funds such as special education as well as others and federal and state programs 3) program specific capital grants and contributions.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Entitlement and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are 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.

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2015

Basis of Budgeting

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

The District follows the following procedures in establishing data reflected in the financial statements:

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. 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 SBFAU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBFAU.
7. Legal budget control for expenditures is by function.
8. 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.

Cash and Cash Equivalents

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.

The District is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the District may be invested in :

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- (b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.
- (c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Assets and Liabilities and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported 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. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

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Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on 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.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & Improvements	20-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 Years

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

Short -Term Debt

Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The District does not have any activity in short-term debt.

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Restricted Net Position

For the government-wide statement of net position, net positions are reported as restricted when constraints placed on net positions use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Nonspendable fund balance represents assets that are other than cash such as inventory.

Restricted fund balance indicates that portion of fund equity which has been segregated for specific purposes.

Assigned fund balance classification are intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.

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Unassigned fund balance indicates that portion of fund equity which is available for budgeting in future periods.

Interfund Transfers

In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Deferred Inflows

The District reports unearned and unavailable revenues on its Statement of Net Position and Fund Balance Sheet. Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized. Unavailable revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

Estimates

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

A. Deposits and Investments

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

First Savings Bank

<u>Name of Account</u>		Balance Per Bank 6/30/15	Reconciled Balance	Type
Operational	Checking	\$ 622,363	\$ 554,596	Interest
Payroll Clearing	Checking	108,527	598	Non-Interest
Activity	Checking	40,918	38,443	Interest
TOTAL Deposited		771,808	\$ 593,637	
Less: FDIC Coverage		(250,000)		
Uninsured Amount		521,808		
50% collateral requirement		260,904		
Pledged securities		593,629		
Over (Under) requirement		\$ 332,725		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged at **First Savings Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
MBS FNMA	31418BB54	\$ 247,963	04/01/2024	Federal Reserve
MBS FNMA	3138EKJA4	345,666	01/01/2028	Federal Reserve
FNR	3136AA2L8	50,337	01/25/2028	Federal Reserve
		\$ 593,629		

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Bank of America-NMFA		Balance Per Bank 6/30/15	Reconciled Balance	Type
<u>Name of Account</u>				
Bond Building	Checking	\$ <u>60,492</u>	\$ <u>60,492</u>	Interest

Custodial Credit Risk-Deposits		Bank Balance
<u>Depository Account</u>		
Insured		\$ 310,492
Collateralized:		
Collateral held by the pledging bank in District's name		521,808
Uninsured and uncollateralized		0
Total Deposits		\$ <u>832,300</u>

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. As of June 30, 2015 none of the District's bank balance of \$771,808 was exposed to custodial credit risk.

B. Receivables

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. The following deferred revenues are measurable but do not represent available expendable resources for the fund financial statements for the fiscal year ended June 30, 2015:

	Operational 11000	Senate Bill Nine 31700	Debt Service 41000
Property Taxes			
Available	\$ 66	\$ 408	\$ 1,188
Unavailable	2,578	14,150	38,459
Total Deferred Revenues	\$ <u>2,644</u>	\$ <u>14,558</u>	\$ <u>39,647</u>

Amounts due from other agencies and units of government were as follows as of June 30, 2015:

State	\$ 0
Federal	47,264
Total	\$ <u>47,264</u>

C. Interfund Receivables, Payables and Transfers

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Funds</u>	
	Title I	Non Major
Operational Fund	\$ <u>38,941</u>	\$ <u>8,323</u>

The above interfund balances resulted from reimbursement grants. The shortfalls were covered by the above funds. All transactions will be repaid within one year.

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D. Capital Assets

Capital Assets Balances and Activity for the fiscal year is as follows:

	Beginning Balance 6/30/14	Increases	Decreases	Ending Balance 6/30/15
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 513,093	\$ 0	\$ 0	\$ 513,093
Construction in Progress	0	0	0	0
Total Capital Assets, not Being Depreciated	<u>\$ 513,093</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 513,093</u>
Other Capital Assets				
Buildings & Improvements	\$ 8,318,437	\$ 600,873	\$ 103,753	\$ 8,815,557
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	1,287,285	55,367	907,988	434,664
Total Capital Assets, being depreciated	<u>9,605,721</u>	<u>656,240</u>	<u>1,011,741</u>	<u>9,250,221</u>
Total Capital Assets	<u>\$ 10,118,814</u>	<u>\$ 656,240</u>	<u>\$ 1,011,741</u>	<u>\$ 9,763,314</u>
Less Accumulated Depreciation				
Buildings & Improvement	\$ 2,372,292	\$ 185,167	\$ 1,634,264	\$ 923,195
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	1,234,491	23,265	996,989	260,767
Total Accumulated Depreciation	<u>3,606,783</u>	<u>208,432</u>	<u>2,631,253</u>	<u>1,183,962</u>
Capital Assets, net	<u>\$ 6,512,031</u>	<u>\$ 447,808</u>	<u>\$ (1,619,512)</u>	<u>\$ 8,579,352</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 208,432
Total depreciation expenses	<u>\$ 208,432</u>

E. Long-Term Liabilities and Other Liabilities

A summary of activity in the Long-Term Debt is as follows:

	Beginning Balance 6/30/14	Additions	Reductions	Ending Balance 6/30/15	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 2,305,000	\$ 800,000	\$ 165,000	\$ 2,940,000	\$ 255,000
Long-Term Liabilities	<u>\$ 2,305,000</u>	<u>\$ 800,000</u>	<u>\$ 165,000</u>	<u>\$ 2,940,000</u>	<u>\$ 255,000</u>
Other Liabilities					
Compensated					
Absences	\$ 15,404	\$ 15,886	\$ 19,701	\$ 11,589	\$ 11,589
Total Other Liabilities	<u>\$ 15,404</u>	<u>\$ 15,886</u>	<u>\$ 19,701</u>	<u>\$ 11,589</u>	<u>\$ 11,589</u>

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Payments on the general obligation bonds are made by the Debt Service Funds.

General Obligation Bonds.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

Series	Maturity Year Ending	Original Amount	Interest Rate	Balance
2002	2016	550,000	3.0-5.25%	\$ 100,000
2008	2021	800,000	2.00%	730,000
2009	2022	515,000	2.27%	400,000
2010	2021	345,000	1.10%	280,000
2010A	2004	420,000	1.08%	410,000
2012	2024	230,000	0.00%	220,000
2014	2029	800,000	0.1%-2.92%	800,000
				<u>\$ 2,940,000</u>

The annual requirements to amortize all of the above bonds including interest is as follows:

	Principal	Interest	Total
2016	\$ 255,000	\$ 57,495	\$ 312,495
2017	245,000	51,024	296,024
2018	260,000	45,713	305,713
2019	275,000	39,673	314,673
2020	295,000	32,658	327,658
2021-2025	1,040,000	90,518	1,130,518
2026-2029	570,000	15,651	585,651
	<u>\$ 2,940,000</u>	<u>\$ 332,732</u>	<u>\$ 3,272,732</u>

Reconciliation of Long-Term Debt disclosed in Note F to the Long-Term Debt reported in the Statement of Net Position.

Above	\$ 2,940,000
Statement of Net Position	<u>\$ 2,940,000</u>
Long-Term Per Government Wide Financial Statements	\$ 2,685,000
Current Portion	255,000
Statement of Net Position	<u>\$ 2,940,000</u>

F. Commitments

The District has no construction commitments.

G. Retirement Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan description. ERB was created by the state's Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees' Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico legislature has the authority to set or amend contribution rates.

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at www.nmerb.org.

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

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

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

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

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

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

Contributions. The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 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 \$174,127 for the year ended June 30, 2015.

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, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the District reported a liability of \$2,462,014 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, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District's proportion was .04315 percent, which was an increase of .00164 percent from its proportion measured as of June 30, 2013.

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For the year ended June 30, 2015, the District recognized pension expense of \$197,023. At the June 30, 2015, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 36,680
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	223,834
Changes in proportion and differences between the District's contributions and proportionate share of contributions	76,401	
District's contributions subsequent to the measurement date	174,124	0
Total	<u>\$ 250,525</u>	<u>\$ 260,514</u>

\$174,124 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (42,159)
2017	(42,159)
2018	(43,814)
2019	(55,981)
Total	<u>\$ (184,113)</u>

Actuarial assumptions. As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

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

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

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30- year return assumptions are summarized in the following table:

Asset Class	2014	2013
	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%

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Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB's defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The District's proportionate share of the net pension liability	\$ 3,349,856	\$ 2,462,014	\$ 1,720,623

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, 2014 and 2013 which are publicly available at www.nmerb.org.

H. Retiree Health Care
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 the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

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.

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2015

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

The District's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$25,054, \$23,790, and \$22,459 respectively, which equal the required contributions for each year.

I. Reconciliation of Budgetary Basis to GAAP Basis Statements

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds included on each Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

J. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

K. Joint Powers Agreements

Carrizozo Municipal Schools entered into a joint powers agreement with the Region 9 Education Cooperative (REC). The purpose of the agreement is to allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the United States Department of Education under the Education of the Handicapped Act, Part B, PL 94142 among others.

There are seven schools that participate in the REC, they are Ruidoso, Capitan, Carrizozo, Cloudcroft, Corona, Hondo and Tularosa. The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The REC is it's own fiscal agent and is responsible for its audit. The financial statements are available for inspection at the REC office located at 1400 Sudderth Dr. Ruidoso, New Mexico 88345.

L. Subsequent Events

Subsequent events were evaluated through October 28, 2015 which is the date the financial statements were available to be issued.

M. Budget Violations

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

The following funds had budget violations as of June 30, 2015.

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<u>Major Funds</u>				
Debt Service-41000	\$ 3,021	\$ 3,021	\$ 3,169	\$ (148)

N. Restatement

Net Position was restated \$(2,449,103) for pension liability balance at the end of the prior year, \$1,619,512 for capital assets and \$(15,404) for compensated absences balance at the end of the prior year. The capital assets were restated after a major clean up of the District's depreciation schedule. The schedule was on Visions software and was moved to Excel. The District changed their personnel policy to pay for unused vacation time upon separation of employment. Fund balance for the Senate Bill Nine was restated by \$(16,838) for a state reimbursement that was not received. Net adjustments to Net Position were \$(861,833).

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 CAPITAL PROJECTS FUND-BOND BUILDING-31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Bond Issue	\$ 800,000	\$ 800,000	\$ 800,000	\$ 0
Total Revenues	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>0</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	32,594	36,044	36,044	0
Building Improvement	563,128	481,338	600,873	(119,535)
Land Improvements	208,416	286,756	0	286,756
Fixed Assets	0	0	13,215	(13,215)
Supply Assets	0	0	92,913	(92,913)
Total Capital Outlay	<u>804,138</u>	<u>804,138</u>	<u>743,045</u>	<u>61,093</u>
Total Expenditures	<u>804,138</u>	<u>804,138</u>	<u>743,045</u>	<u>61,093</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,138)	(4,138)	56,955	61,093
Cash Balance Beginning of Year	<u>4,945</u>	<u>4,945</u>	<u>4,945</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 807</u>	<u>\$ 807</u>	<u>\$ 61,900</u>	<u>\$ 61,093</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 56,955</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 56,955</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 CAPITAL PROJECT FUND-SENATE BILL NINE-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 115,194	\$ 115,194	\$ 116,781	\$ 1,587
State Grant	0	6,042	2,412	(3,630)
Total Revenues	<u>115,194</u>	<u>121,236</u>	<u>119,193</u>	<u>(2,043)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	1,171	1,171	1,168	3
Total General Administration	<u>1,171</u>	<u>1,171</u>	<u>1,168</u>	<u>3</u>
Total Support Services	<u>1,171</u>	<u>1,171</u>	<u>1,168</u>	<u>3</u>
Capital Outlay				
Purchased Property Services	177,431	177,431	91,571	85,860
Supplies	10,000	10,000	7,199	2,801
Vehicles	0	0	42,152	(42,152)
Fixed Assets	0	0	0	0
Supply Assets	2,000	2,000	13,503	(11,503)
Total Capital Outlay	<u>189,431</u>	<u>189,431</u>	<u>154,425</u>	<u>35,006</u>
Total Expenditures	<u>190,602</u>	<u>190,602</u>	<u>155,593</u>	<u>35,009</u>
Excess (Deficiency) of Revenues	(75,408)	(69,366)	(36,400)	32,966
Cash Balance Beginning of Year	<u>122,130</u>	<u>122,130</u>	<u>122,130</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 46,722</u>	<u>\$ 52,764</u>	<u>\$ 85,730</u>	<u>\$ 32,966</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (36,400)	
Net Change in Taxes Receivable			1,357	
Net Change in Due from Grantor			(2,413)	
Net Change in Unavailable Revenue			(948)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (38,404)</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS

DEBT SERVICE-41000

Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 299,046	\$ 299,046	\$ 316,893	\$ 17,847
Total Revenues	<u>299,046</u>	<u>299,046</u>	<u>316,893</u>	<u>17,847</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	<u>3,021</u>	<u>3,021</u>	<u>3,169</u>	<u>(148)</u>
Total General Administration	<u>3,021</u>	<u>3,021</u>	<u>3,169</u>	<u>(148)</u>
Total Support Services	<u>3,021</u>	<u>3,021</u>	<u>3,169</u>	<u>(148)</u>
Debt Service				
Principal	250,000	250,000	250,000	0
Interest	<u>54,348</u>	<u>54,348</u>	<u>54,347</u>	<u>1</u>
Total Debt Service	<u>304,348</u>	<u>304,348</u>	<u>304,347</u>	<u>1</u>
Total Expenditures	<u>307,369</u>	<u>307,369</u>	<u>307,516</u>	<u>(147)</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,323)	(8,323)	9,377	17,700
Cash Balance Beginning of Year	<u>306,733</u>	<u>306,733</u>	<u>306,733</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 298,410</u>	<u>\$ 298,410</u>	<u>\$ 316,110</u>	<u>\$ 17,700</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,377	
Net Change in Taxes Receivable			3,005	
Net Change in Current Interest Due			(4,695)	
Net Change in Current Principal Due			(5,000)	
Net Change in Unavailable Revenue			<u>(1,816)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 871</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

Food Services (21000). To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics (22000). To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

IDEA B Entitlement (24106). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 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 fund was created by the authority of federal grant provisions.

NM Autism Projects (24108). To account program revenue and expenditures that provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Sections 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

IDEA Preschool (24109). To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

IDEA B Risk Pool (24120). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 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 fund was created by the authority of federal grant provisions.

Improving Teacher Quality (24154). To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

Medicaid (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. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

Rural Education Achievement Program (REAP) (25233). To account for funds received from the Technology for Education Grant created by the 1994 State Legislation to establish funding of any costs associated with educational technology. Funding provided by the State of New Mexico. (NMSA 22-15A-1-10).

Dual Credit Instructional Materials (27103). To provide financial assistance to purchased instructional materials for the college classes offered to students who are taking them for dual credits. The fund was created by the authority of state grant provisions.

2010 GO Student Library (27106). To provide funding for the purchase of library books. The fund was created by the authority of state grant provisions.

2012 GO Library Books (27107). To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

NM Reads to Lead (27114). To account for revenue and expenditures received from a state grant for the purpose of improving skills of young students in the area of reading. The fund was created by the authority of state grant provisions.

Breakfast After the Bell (27155). To account for revenues and expenditures from a state grant provided for breakfast for elementary students. The fund was created by state grant provisions.

K3 Plus (27166). To account for funds received to provide the opportunity for the district to address early literacy. The full-day kindergarten program is the first step in the implementation of a sequential early literacy approach to teaching reading.

STEM Teacher Initiative (27181). To account for a state grant used to equipment a science classroom. The fund was created by the authority of state grant provisions.

NM Grown Fruits and Vegetables (27183). To account for a state grant to purchase only NM grown fruit and vegetables to be used in the Food Service program. The fund was created by grant provisions.

Next Generation Assessment (27185). To account for a state grant used to purchase computer equipment for the science classroom. The fund was created by the authority of state grant provisions.

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	IDEA B Entitlement 24106
Assets			
Cash and Cash Equivalents	\$ 7,100	\$ 2,562	\$ 0
Receivables			
Due From Grantor	0	0	1,634
Total Assets	\$ 7,100	\$ 2,562	\$ 1,634
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	1,634
Total Liabilities	0	0	1,634
Fund Balance			
Restricted for Special Revenue	7,100	2,562	0
Assigned for Capital Projects	0	0	0
Total Fund Balance	7,100	2,562	0
Total Liabilities and Fund Balance	\$ 7,100	\$ 2,562	\$ 1,634

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds		
	NM Autism Project 24108	Preschool 24109	IDEA B Risk Pool 24120
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	98	2,331	0
Total Assets	<u>\$ 98</u>	<u>\$ 2,331</u>	<u>\$ 0</u>
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	98	2,331	0
Total Liabilities	<u>98</u>	<u>2,331</u>	<u>0</u>
Fund Balance			
Restricted for Special Revenue	0	0	0
Assigned for Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 98</u>	<u>\$ 2,331</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds		
	Improving Teacher Quality 24154	Medicaid 25153	REAP 25233
Assets			
Cash and Cash Equivalents	\$ 0	\$ 436	\$ 0
Receivables			
Due From Grantor	171	0	4,089
Total Assets	<u>\$ 171</u>	<u>\$ 436</u>	<u>\$ 4,089</u>
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	171	0	4,089
Total Liabilities	<u>171</u>	<u>0</u>	<u>4,089</u>
Fund Balance			
Restricted for Special Revenue	0	436	0
Assigned for Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>436</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 171</u>	<u>\$ 436</u>	<u>\$ 4,089</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 NONMAJOR FUNDS
 Combining Balance Sheet
 June 30, 2015

	Special Revenue Funds		
	Dual Credit Instructional Materials 27103	2010 GO Student Library 27106	2012 GO Student Library 27107
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted for Special Revenue	0	0	0
Assigned for Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds		
	NM Reads to Lead 27114	Breakfast after the Bell 27155	K 3 Plus 27166
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted for Special Revenue	0	0	0
Assigned for Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds		
	STEM Teacher 27181	NM Grown Fruits & Vegetables 27183	Next Generation Assessment 27185
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted for Special Revenue	0	0	0
Assigned for Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	<u>Total</u>
Assets	
Cash and Cash Equivalents	\$ 10,098
Receivables	
Due From Grantor	8,323
Total Assets	<u>\$ 18,421</u>
Liabilities	
Accounts Payables	\$ 0
Interfund Balance	8,323
Total Liabilities	<u>8,323</u>
Fund Balance	
Restricted for Special Revenue	10,098
Assigned for Capital Projects	<u>0</u>
Total Fund Balance	<u>10,098</u>
Total Liabilities and Fund Balance	<u>\$ 18,421</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	IDEA B Entitlement 24106
Revenues			
Fees	\$ 7,900	\$ 6,985	\$ 0
State & Local Grants	0	0	0
Federal Grants	87,218	0	14,434
Total Revenues	<u>95,118</u>	<u>6,985</u>	<u>14,434</u>
Expenditures			
Current			
Instruction	0	5,818	14,434
Support Services			
Student	0	0	
School Administration	0	0	0
Student Transportation	0	0	0
Food Services Operation	88,887	0	0
Total Expenditures	<u>88,887</u>	<u>5,818</u>	<u>14,434</u>
Excess (Deficiency) of Revenues Over Expenditures	6,231	1,167	0
Fund Balances at Beginning of Year	<u>869</u>	<u>1,395</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 7,100</u>	<u>\$ 2,562</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Funds		
	NM Autism Project 24108	Preschool 24109	IDEA B Risk Pool 24120
Revenues			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	5,676	2,331	0
Total Revenues	<u>5,676</u>	<u>2,331</u>	<u>0</u>
Expenditures			
Current			
Instruction	5,676	0	0
Support Services			
Student	0	2,331	0
School Administration	0	0	0
Student Transportation	0	0	0
Food Services Operation	0	0	0
Total Expenditures	<u>5,676</u>	<u>2,331</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Funds		
	Improving Teacher Quality 24154	Medicaid 25153	REAP 25233
Revenues			
Fees	\$ 0	\$ 4,402	\$ 0
State & Local Grants	0	0	0
Federal Grants	8,437	0	14,975
Total Revenues	<u>8,437</u>	<u>4,402</u>	<u>14,975</u>
Expenditures			
Current			
Instruction	5,486	0	14,975
Support Services			
Student	2,758	13,395	0
School Administration	193	0	0
Student Transportation	0	0	0
Food Services Operation	0	0	0
Total Expenditures	<u>8,437</u>	<u>13,395</u>	<u>14,975</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(8,993)	0
Fund Balances at Beginning of Year	<u>0</u>	<u>9,429</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 436</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Funds		
	Dual Credit Instructional Materials 27103	2010 GO Student Library 27106	2012 GO Student Library 27107
Revenues			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	1,013	0	0
Federal Grants	0	0	0
Total Revenues	<u>1,013</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	1,013	0	0
Support Services			
Student	0	0	0
School Administration	0	0	0
Student Transportation	0	0	0
Food Services Operation	0	0	0
Total Expenditures	<u>1,013</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Funds		
	NM Reads to Lead 27114	Breakfast after the Bell 27155	K 3 Plus 27166
Revenues			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	49,755	0	42,641
Federal Grants	0	0	0
Total Revenues	<u>49,755</u>	<u>0</u>	<u>42,641</u>
Expenditures			
Current			
Instruction	49,755	0	36,945
Support Services			
Student	0	0	0
School Administration	0	0	0
Student Transportation	0	0	5,696
Food Services Operation	0	0	0
Total Expenditures	<u>49,755</u>	<u>0</u>	<u>42,641</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Funds		
	STEM Teacher 27181	NM Grown Fruits & Vegetables 27183	Next Generation Assessment 27185
Revenues			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	6,075	0	0
Federal Grants	0	0	0
Total Revenues	<u>6,075</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	6,075	0	0
Support Services			
Student	0	0	0
School Administration	0	0	0
Student Transportation	0	0	0
Food Services Operation	0	0	0
Total Expenditures	<u>6,075</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2015

	<u>Total</u>
Revenues	
Fees	\$ 19,287
State & Local Grants	99,484
Federal Grants	<u>133,071</u>
Total Revenues	<u>251,842</u>
Expenditures	
Current	
Instruction	140,177
Support Services	
Student	18,484
School Administration	193
Student Transportation	5,696
Food Services Operation	<u>88,887</u>
Total Expenditures	<u>253,437</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,595)
Fund Balances at Beginning of Year	<u>11,693</u>
Fund Balance End of Year	<u>\$ 10,098</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 6,928	\$ 6,928	\$ 7,900	\$ 972
Federal Grants	89,438	89,438	82,676	(6,762)
Total Revenues	<u>96,366</u>	<u>96,366</u>	<u>90,576</u>	<u>(5,790)</u>
Expenditures				
Food Services Operations				
Professional & Tech Services	83,035	83,035	84,332	(1,297)
Supplies	<u>6,403</u>	<u>6,403</u>	<u>13</u>	<u>6,390</u>
Total Food Services Operation	<u>89,438</u>	<u>89,438</u>	<u>84,345</u>	<u>5,093</u>
Total Expenditures	<u>89,438</u>	<u>89,438</u>	<u>84,345</u>	<u>5,093</u>
Excess (Deficiency) of Revenues Over Expenditures	6,928	6,928	6,231	(697)
Cash Balance Beginning of Year	<u>869</u>	<u>869</u>	<u>869</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 7,797</u>	<u>\$ 7,797</u>	<u>\$ 7,100</u>	<u>\$ (697)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 6,231</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 6,231</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 6,000	\$ 6,000	\$ 6,985	\$ 985
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>6,985</u>	<u>985</u>
Expenditures				
Instruction				
Other Purchased Services	6,281	6,281	3,840	2,441
Supplies	<u>909</u>	<u>909</u>	<u>1,978</u>	<u>(1,069)</u>
Total Instruction	<u>7,190</u>	<u>7,190</u>	<u>5,818</u>	<u>1,372</u>
Total Expenditures	<u>7,190</u>	<u>7,190</u>	<u>5,818</u>	<u>1,372</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,190)	(1,190)	1,167	2,357
Cash Balance Beginning of Year	<u>1,395</u>	<u>1,395</u>	<u>1,395</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 205</u>	<u>\$ 205</u>	<u>\$ 2,562</u>	<u>\$ 2,357</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>1,167</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,167</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grants	\$ 52,902	\$ 88,790	\$ 42,786	\$ (46,004)
Total Revenues	<u>52,902</u>	<u>88,790</u>	<u>42,786</u>	<u>(46,004)</u>
Expenditures				
Instruction				
Personnel Services	19,965	29,965	12,744	17,221
Employee Benefits	9,326	14,696	1,494	13,202
Professional & Tech Services	0	3,854	0	3,854
Other Purchased Services	494	2,494	196	2,298
Supplies	420	2,420	0	2,420
Total Instruction	<u>30,205</u>	<u>53,429</u>	<u>14,434</u>	<u>38,995</u>
Support Services				
Students				
Personnel Services	7,000	12,875	12,854	21
Employee Benefits	1,579	5,368	3,014	2,354
Professional & Tech Services	0	2,000	0	2,000
Other Purchased Services	1,754	2,754	1,754	1,000
Total Students	<u>10,333</u>	<u>22,997</u>	<u>17,622</u>	<u>5,375</u>
Total Support Services	<u>10,333</u>	<u>22,997</u>	<u>17,622</u>	<u>5,375</u>
Total Expenditures	<u>40,538</u>	<u>76,426</u>	<u>32,056</u>	<u>44,370</u>
Excess (Deficiency) of Revenues Over Expenditures	12,364	12,364	10,730	(1,634)
Cash Balance Beginning of Year	<u>(12,364)</u>	<u>(12,364)</u>	<u>(12,364)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,634)</u>	<u>\$ (1,634)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 10,730	
Net Change in Due from Grantor			(10,730)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-NM AUTISM PROJECT-24108
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grants	\$ 16,959	\$ 16,959	\$ 15,442	\$ (1,517)
Total Revenues	<u>16,959</u>	<u>16,959</u>	<u>15,442</u>	<u>(1,517)</u>
Expenditures				
Instruction				
Professional & Tech Services	5,500	5,500	4,437	1,063
Other Purchased Services	500	500	98	402
Supplies	<u>1,095</u>	<u>1,095</u>	<u>1,141</u>	<u>(46)</u>
Total Instruction	<u>7,095</u>	<u>7,095</u>	<u>5,676</u>	<u>1,419</u>
Total Expenditures	<u>7,095</u>	<u>7,095</u>	<u>5,676</u>	<u>1,419</u>
Excess (Deficiency) of Revenues Over Expenditures	9,864	9,864	9,766	(98)
Cash Balance Beginning of Year	<u>(9,864)</u>	<u>(9,864)</u>	<u>(9,864)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (98)</u>	<u>\$ (98)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,766	
Net Change in Due from Grantor			<u>(9,766)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grants	\$ 3,030	\$ 5,008	\$ 1,351	\$ (3,657)
Total Revenues	<u>3,030</u>	<u>5,008</u>	<u>1,351</u>	<u>(3,657)</u>
Expenditures				
Support Services				
Students				
Professional & Tech Services	1,679	2,679	1,763	916
Supplies	<u>0</u>	<u>978</u>	<u>568</u>	<u>410</u>
Total Students	<u>1,679</u>	<u>3,657</u>	<u>2,331</u>	<u>1,326</u>
Total Support Services	<u>1,679</u>	<u>3,657</u>	<u>2,331</u>	<u>1,326</u>
Total Expenditures	<u>1,679</u>	<u>3,657</u>	<u>2,331</u>	<u>1,326</u>
Excess (Deficiency) of Revenues Over Expenditures	1,351	1,351	(980)	(2,331)
Cash Balance Beginning of Year	<u>(1,351)</u>	<u>(1,351)</u>	<u>(1,351)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,331)</u>	<u>\$ (2,331)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (980)	
Net Change in Due from Grantor			<u>980</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA B RISK POOL-24120
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grants	\$ 360	\$ 360	\$ 360	\$ 0
Total Revenues	<u>360</u>	<u>360</u>	<u>360</u>	<u>0</u>
Expenditures				
Instruction				
Professional & Tech Services	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	360	360	360	0
Cash Balance Beginning of Year	<u>(360)</u>	<u>(360)</u>	<u>(360)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 360	
Net Change in Due From Grantor			<u>(360)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IMPROVING TEACHER QUALITY-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grants	\$ 14,646	\$ 29,069	\$ 16,237	\$ (12,832)
Total Revenues	<u>14,646</u>	<u>29,069</u>	<u>16,237</u>	<u>(12,832)</u>
Expenditures				
Instruction				
Professional & Tech Services	2,877	11,600	5,106	6,494
Other Purchased Services	<u>1,000</u>	<u>3,500</u>	<u>381</u>	<u>3,119</u>
Total Instruction	<u>3,877</u>	<u>15,100</u>	<u>5,487</u>	<u>9,613</u>
Support Services				
Students				
Professional & Tech Services	700	2,400	2,390	10
Other Purchased Services	<u>700</u>	<u>2,200</u>	<u>369</u>	<u>1,831</u>
Total Students	<u>1,400</u>	<u>4,600</u>	<u>2,759</u>	<u>1,841</u>
School Administration				
Other Purchased Services	<u>1,400</u>	<u>1,400</u>	<u>193</u>	<u>1,207</u>
Total School Administration	<u>1,400</u>	<u>1,400</u>	<u>193</u>	<u>1,207</u>
Total Support Services	<u>2,800</u>	<u>6,000</u>	<u>2,952</u>	<u>3,048</u>
Total Expenditures	<u>6,677</u>	<u>21,100</u>	<u>8,439</u>	<u>12,661</u>
Excess (Deficiency) of Revenues Over Expenditures	7,969	7,969	7,798	(171)
Cash Balance Beginning of Year	<u>(7,969)</u>	<u>(7,969)</u>	<u>(7,969)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(171)</u>	\$ <u>(171)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,798	
Net Change in Due From Grantor			<u>(7,798)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-MEDICAID-25153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 8,000	\$ 8,000	\$ 4,402	\$ (3,598)
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>4,402</u>	<u>(3,598)</u>
Expenditures				
Support Services				
Students				
Other Purchased Services	<u>10,456</u>	<u>13,406</u>	<u>13,395</u>	<u>11</u>
Total Students	<u>10,456</u>	<u>13,406</u>	<u>13,395</u>	<u>11</u>
Total Support Services	<u>10,456</u>	<u>13,406</u>	<u>13,395</u>	<u>11</u>
Total Expenditures	<u>10,456</u>	<u>13,406</u>	<u>13,395</u>	<u>11</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,456)	(5,406)	(8,993)	(3,587)
Cash Balance Beginning of Year	<u>9,429</u>	<u>9,429</u>	<u>9,429</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,973</u>	<u>\$ 4,023</u>	<u>\$ 436</u>	<u>\$ (3,587)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,993)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (8,993)</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grants	\$ 5,320	\$ 19,663	\$ 13,540	\$ (6,123)
Total Revenues	<u>5,320</u>	<u>19,663</u>	<u>13,540</u>	<u>(6,123)</u>
Expenditures				
Instruction				
Supplies	0	5,000	3,673	1,327
Supply Assets	<u>2,665</u>	<u>12,008</u>	<u>11,301</u>	<u>707</u>
Total Instruction	<u>2,665</u>	<u>17,008</u>	<u>14,974</u>	<u>2,034</u>
Total Expenditures	<u>2,665</u>	<u>17,008</u>	<u>14,974</u>	<u>2,034</u>
Excess (Deficiency) of Revenues Over Expenditures	2,655	2,655	(1,434)	(4,089)
Cash Balance Beginning of Year	<u>(2,655)</u>	<u>(2,655)</u>	<u>(2,655)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (4,089)</u>	<u>\$ (4,089)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,434)	
Net Change in Due from Grantor			<u>1,434</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-DUAL CREDIT INSTRUCTIONAL MATERIALS-27103
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grants	\$ 1,013	\$ 1,013	\$ 1,013	\$ 0
Total Revenues	<u>1,013</u>	<u>1,013</u>	<u>1,013</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	1,013	1,013	1,013	0
Total Instruction	<u>1,013</u>	<u>1,013</u>	<u>1,013</u>	<u>0</u>
Total Expenditures	<u>1,013</u>	<u>1,013</u>	<u>1,013</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-2010 GO STUDENT LIBRARY-27106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 746	\$ 746	\$ 746	\$ 0
Total Revenues	<u>746</u>	<u>746</u>	<u>746</u>	<u>0</u>
Expenditures				
Support Services				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	746	746	746	0
Cash Balance Beginning of Year	<u>(746)</u>	<u>(746)</u>	<u>(746)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 746	
Net Change in Due From Grantor			<u>(746)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-2012 GO STUDENT LIBRARY-27107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 9,306	\$ 9,306	\$ 1,565	\$ (7,741)
Total Revenues	<u>9,306</u>	<u>9,306</u>	<u>1,565</u>	<u>(7,741)</u>
Expenditures				
Support Services				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	9,306	9,306	1,565	(7,741)
Cash Balance Beginning of Year	<u>(1,565)</u>	<u>(1,565)</u>	<u>(1,565)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 7,741</u>	<u>\$ 7,741</u>	<u>\$ 0</u>	<u>\$ (7,741)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,565	
Net Change in Due from Grantor			<u>(1,565)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-NM READS TO LEAD-27114
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grants	\$ 76,344	\$ 76,344	\$ 76,099	\$ (245)
Total Revenues	<u>76,344</u>	<u>76,344</u>	<u>76,099</u>	<u>(245)</u>
Expenditures				
Instruction				
Personnel Services	38,823	40,298	40,297	1
Employee Benefits	9,166	9,465	9,458	7
Professional & Tech Services	1,000	0	0	0
Other Purchased Services	0	0	0	0
Supplies	1,011	237	0	237
Total Instruction	<u>50,000</u>	<u>50,000</u>	<u>49,755</u>	<u>245</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>49,755</u>	<u>245</u>
Excess (Deficiency) of Revenues Over Expenditures	26,344	26,344	26,344	0
Cash Balance Beginning of Year	<u>(26,344)</u>	<u>(26,344)</u>	<u>(26,344)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 26,344	
Net Change in Due from Grantor			<u>(26,344)</u>	
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-BREAKFAST AFTER THE BELL-27155
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grants	\$ 45	\$ 45	\$ 45	\$ 0
Total Revenues	<u>45</u>	<u>45</u>	<u>45</u>	<u>0</u>
Expenditures				
Food Services Operations				
Supplies	0	0	0	0
Total Food Services Operation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	45	45	45	0
Cash Balance Beginning of Year	<u>(45)</u>	<u>(45)</u>	<u>(45)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 45	
Net Change in Due from Grantor			<u>(45)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-K-3 PLUS-27166
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 52,950	\$ 42,645	\$ 42,641	\$ (4)
Total Revenues	<u>52,950</u>	<u>42,645</u>	<u>42,641</u>	<u>(4)</u>
Expenditures				
Instruction				
Personnel Services	35,773	28,538	28,538	0
Employee Benefits	7,670	6,722	6,721	1
Other Purchased Services	2,110	1,598	1,598	0
Supplies	0	89	89	0
Total Instruction	<u>45,553</u>	<u>36,947</u>	<u>36,946</u>	<u>1</u>
Support Services				
Student Transportation				
Other Purchased Services	7,397	5,698	5,695	3
Total Student Transportation	<u>7,397</u>	<u>5,698</u>	<u>5,695</u>	<u>3</u>
Total Support Services	<u>7,397</u>	<u>5,698</u>	<u>5,695</u>	<u>3</u>
Total Expenditures	<u>52,950</u>	<u>42,645</u>	<u>42,641</u>	<u>4</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-STEM TEACHER-27181
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grants	\$ 5,000	\$ 6,075	\$ 6,075	\$ 0
Total Revenues	<u>5,000</u>	<u>6,075</u>	<u>6,075</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	5,000	5,000	5,000	0
Employee Benefits	<u>0</u>	<u>1,075</u>	<u>1,075</u>	<u>0</u>
Total Instruction	<u>5,000</u>	<u>6,075</u>	<u>6,075</u>	<u>0</u>
Total Expenditures	<u>5,000</u>	<u>6,075</u>	<u>6,075</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Due from Grantor			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND- NM GROWN FRUIT AND VEGTABLES-27183
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grants	\$ 71	\$ 71	\$ 71	\$ 0
Total Revenues	<u>71</u>	<u>71</u>	<u>71</u>	<u>0</u>
Expenditures				
Food Services Operations				
Supplies	0	0	0	0
Total Food Services Operation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	71	71	71	0
Cash Balance Beginning of Year	<u>(71)</u>	<u>(71)</u>	<u>(71)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 71	
Net Change in Due from Grantor			<u>(71)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-NEXT GENERATION ASSESSMENT-27185
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 4,204	\$ 4,204	\$ 4,204	\$ 0
Total Revenues	<u>4,204</u>	<u>4,204</u>	<u>4,204</u>	<u>0</u>
Expenditures				
Support Services				
Instruction				
Supply Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	4,204	4,204	4,204	0
Cash Balance Beginning of Year	<u>(4,204)</u>	<u>(4,204)</u>	<u>(4,204)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,204	
Net Change in Due from Grantor			<u>(4,204)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

REQUIRED SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Schedules of Required Supplementary Information for Pension Plan

Schedule of the District's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

	<u>2015</u>
District's proportion of the net pension liability	0.04315%
District's proportionate share of the net pension liability	\$ 2,462,013
District's covered-employee payroll	\$ 1,278,570
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	192.56%
Plan fiduciary net position as a percentage of the total pension liability	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.

Schedule of District's Contributions

Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 174,124
Contributions in relation to the contractually required contribution	<u>174,124</u>
Contribution deficiency (excess)	\$ <u><u>0</u></u>
Districts covered-employee payroll	\$ 1,340,113
Contributions as a percentage of covered-employee payroll	12.99%

* These schedules are 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

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

STATE OF NEW MEXICO

CARRIZOZO MUNICIPAL SCHOOLS

Notes to Required Supplementary Information

For the Year Ended June 30, 2015

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

Changes of assumptions.

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on April 26, 2013, ERB implemented the following changes in assumptions for fiscal years 2014 and 2013.

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:

- a. Lower wage inflation from 4.75% to 4.25%
- b. Lower payroll growth from 3.75% to 3.50%
- c. Minor changes to demographic assumptions
- d. Population growth per year from 0.75% to 0.50%

2. Assumptions that were not changed:

- a. Investment return will remain at 7.75%
- b. Inflation will remain at 3.00%

See also the Actuarial Assumptions subsection of the financial statement note disclosure General Information on the Pension Plan.

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

To account for funds of various student groups that are custodial in nature.

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 AGENCY FUNDS
 Statement of Fiduciary Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2015

	Beginning Balance <u>6/30/14</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>6/30/15</u>
Assets				
Cash in Bank	\$ 34,904	\$ 67,494	\$ 63,955	\$ 38,443
Total Assets	<u>\$ 34,904</u>	<u>\$ 67,494</u>	<u>\$ 63,955</u>	<u>\$ 38,443</u>
Liabilities				
Deposits Held for Others	\$ 34,904	\$ 67,494	\$ 63,955	\$ 38,443
Total Liabilities	<u>\$ 34,904</u>	<u>\$ 67,494</u>	<u>\$ 63,955</u>	<u>\$ 38,443</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Fiduciary Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2015

	Beginning Balance 6/30/14	Additions	Deductions	Ending Balance 6/30/15
Assets				
23100 Administration General	\$ 152	\$ 3,642	\$ 3,277	\$ 517
23501 Grizzly Alumni	0	623	400	223
23502 Cafeteria Activity	24	0	0	24
23503 PFK	2,563	10,556	12,213	906
23505 "C" Club	2,277	0	2,258	19
23506 Carrizozo Opportunity	11	860	725	146
23507 Class of 2014	121	0	109	12
23508 FFA	14,320	20,980	15,938	19,362
23509 FFA Alumni	128	500	0	628
23511 Music/Drama	151	213	59	305
23512 Library Activity	1,567	1,868	1,858	1,577
23513 Student Council	438	0	179	259
23514 National Honor Society	88	305	393	(0)
23518 Home Economic	2,339	1,409	1,395	2,353
23519 Athletic Playoffs	0	1,709	1,611	98
23520 Girls Volleyball	61	2,982	3,029	14
23521 Yearbook Activity	2,793	1,740	2,079	2,454
23523 Sunshine Account	586	0	113	473
23524 Athletic Concession	578	11,578	10,627	1,529
23525 Elementary Activity	701	514	892	323
23526 Knowledge Bowl	652	161	359	454
23527 Cross Country	90	789	754	125
23528 Online Learning	142	0	0	142
23536 Student Activity	705	38	256	487
23543 Mid School Activity	315	0	315	0
23544 Class of 2018	0	331	0	331
23545 Class of 2017	232	1,749	83	1,898
23546 Class of 2015	376	364	740	0
23547 Class of 2012	851	1,744	2,144	451
23548 Grizzlies Garden	2,375	2,285	2,149	2,511
23552 The Garden	119	0	0	119
23553 NMABA	148	554	0	702
Total Assets	<u>\$ 34,904</u>	<u>\$ 67,494</u>	<u>\$ 63,955</u>	<u>\$ 38,443</u>
Liabilities				
Deposits Held for Others	<u>\$ 34,904</u>	<u>\$ 67,494</u>	<u>\$ 63,955</u>	<u>\$ 38,443</u>
Total Liabilities	<u>\$ 34,904</u>	<u>\$ 67,494</u>	<u>\$ 63,955</u>	<u>\$ 38,443</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Cash Reconciliations - All Funds
For the Year Ended June 30, 2015

		Beginning Cash Balance <u>6/30/14</u>	Revenue	Expenditures	Ending Cash Balance <u>6/30/15</u>
Operational	11000	\$ 90,491	\$ 2,016,722	\$ 1,944,917	\$ 162,296
Transportation	13000	30,678	188,525	199,861	19,342
Instructional Materials	14000	2,861	10,530	5,917	7,474
Food Service	21000	869	90,576	84,345	7,100
Athletics	22000	1,395	6,985	5,819	2,562
Activities	23000	34,904	67,493	63,952	38,445
Federal Flowthrough	24000	(84,239)	184,174	143,109	(43,175)
Federal Direct	25000	6,775	17,942	28,370	(3,654)
State Grants	27000	(32,976)	132,459	99,483	(0)
Bond Building	31100	4,946	800,000	743,046	61,900
Senate Bill Nine	31700	122,130	119,194	155,593	85,730
Debt Service	41000	306,732	316,893	307,516	316,109
Totals		<u>\$ 484,566</u>	<u>\$ 3,951,491</u>	<u>\$ 3,781,928</u>	<u>\$ 654,129</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Vendor Schedule
For the Year Ended June 30, 2015

There were no vendors that met the reporting criteria for this entity for the Fiscal year ending June 30, 2015.

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

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

Independent Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Carrizozo Municipal Schools

Mr. Keller and Members of the Board

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 Carrizozo Municipal School (District) as of and for the year ended June 30, 2015, 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 supplemental information, and have issued our report thereon dated October 28, 2015.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that are less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses, that we consider to be significant deficiencies. 2012-001 (12-1), 2015-001, 2015-002, 2015-003, 2015-004, 2015-005, 2015-006, and 2015-007.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses; 2012-001 (12-1), 2015-001, 2015-002, 2015-003, 2015-004, 2015-005, 2015-006, and 2015-007.

The District's Responses to Findings

The District's responses to the findings identified in our audit as described in the accompanying Schedule of Findings and Responses. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

 De'Aun Willoughby, CPA PC

Clovis, New Mexico

October 28, 2015

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 Schedule of Findings and Comments
 For the Year Ended June 30, 2015

Prior Year Audit Findings

	<u>Status</u>
2012-001 Expenditure Issues	Repeated & Modified
2014-001 Personnel Policy	Resolved
2014-002 New Hiring Reporting	Resolved

Current Year Audit Findings

2012-001 Expenditure Issues - Compliance and Internal Control-Significant Deficiency

Condition

Of a sample size of 133 revealed the following:

9 bills were paid late for a total of \$14,890.93. The maximum days late were 40.

Management is making progress solving this finding.

Criteria

In accordance with 6.20.2.17 Purchasing, each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq, NMSA 1978.

Cause

A new person was hired for this position and this problem appears to be much better. As the year progressed, the records improved.

Effect

Paying bill beyond 30 days results in late fees and difficulty with vendors because of slow pay.

Recommendation

We commend management for discovering the issue and attempting to correct all of the errors caused by the former employee and we consider the issue resolved.

Response

We also consider the issue resolved. The Business Manager is responsible and the problem is currently resolved.

2015-001 Stale Dated Checks- Compliance and Internal Control-Significant Deficiency

Condition

The payroll clearing account had 3 checks dated over a year old for a total of \$25.80. The activity account had 2 checks totaling \$224.04 over a year old.

Criteria

Section 6-10-57(A), NMSA 1978. If checks are unpaid for one year the fiscal officer should cancel them in accordance with section 6-10-57(A), NMSA 1978.

Cause

The stale dated checks were just an oversight. During the transition, the business manager has been training the business support specialist and stale dated checks were not as important as other things.

Effect

Carrying numerous bank reconciling items could result in a misstatement in the accounting records or related misappropriation of funds.

Recommendation

A review of all checks issued over one year should occur at year end. All uncleared checks should be researched and resolved before year end process is complete.

Response

We will review the outstanding check listing and resolve the checks dated over one year old. The Business Manager is responsible for this issue and expects the finding to be resolved by the end of the fiscal year.

2015-002 Clearing Account not Reconciling to Zero-Compliance and Internal Control-Significant

Deficiency

Condition

The Payroll Clearing Account is not reconciling to zero or a set amount each month.

Criteria

6.20.2.14.G. NMAC. Clearing accounts or pooled accounts may be used to combine more than one fund in one bank account. Clearing accounts shall reconcile to a zero balance at the end of each month. Bank reconciliations for clearing accounts shall be completed on a monthly basis.

Cause

The Districts' management did not ensure the clearing account was reconciled to a zero or a set amount each month.

Effect

Failing to reconcile clearing bank accounts to zero or a set amount each month does not give assurance the general ledger accounts are correct.

Recommendation

The clearing accounts and all bank accounts should be consolidated into one bank account resolving the issue.

Response

We have consolidated the bank accounts and closed the clearing account. The Business Manager is responsible for this issue and expects the finding to be resolved by the end of the fiscal year.

2015-003 Timely Deposits of Activity Receipts-Compliance and Internal Control-Significant

Deficiency

Condition

The high school secretary was not depositing money daily. The maximum days funds were held was 18 days.

Criteria

All funds shall be deposited within twenty-four hours, or one banking day, of receipt. NMAC 6-20-2-14(B).

Cause

Individuals responsible for the system lack the training and supervision necessary to ensure compliance with internal control systems.

Effect

Activity funds pose a high risk of fraud making the implementation of a strong internal control system very important. Without a strong working control system, activity funds could easily be misappropriated.

Recommendation

The District should undertake to provide the personnel responsible for handling activity receipts with sufficient training and supervision to ensure compliance with internal control systems.

Response

The District will implement procedures in order for all schools to comply with State regulations regarding receipting and depositing of activity funds. The Business Manager is responsible for this issue and expects the finding to be resolved by the end of the fiscal year.

2015-004 Payroll-Compliance and Internal Control-Significant Deficiency

Condition

During our review of 8 personnel files and contracts we noted the following:

- (1) Two teachers were underpaid by \$168.00 and \$63.00 totaling \$231.00 for the year.
- (2) One employee's time sheets are hand written and the in and out times are the same. We were unable to determine if those were actual hours worked.
- (3) One employee was paid as an exempt employee, however he is a maintenance employee that does not qualify in any of the 3 exempt categories.

Criteria

NMAC 6.20.2.18 states the local board shall establish written policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP.

Cause

The issues with the teachers was just the result of payroll being a very difficult job and there not being a review by another qualified person. A time clock would resolve the issue of determining the actual amount of time worked. Additional training would solve the nonexempt employee

Effect

Without adequate time worked documentation, Workforce Solutions could require the District to pay at time and a half the hours verbally told to them by the nonexempt employees. The cost to the District could be substantial.

Recommendation

We recommend a formal time tracking system, more review and supervision.

Response

We implemented the electronic time tracking system when the auditors were there. The Business Manager is responsible for this issue and expects the finding to be resolved by the end of the fiscal year.

2015-005 Background Checks-Compliance and Internal Control-Significant Deficiency

Condition

During our review of 8 background checks we noted the following:

- One employee who had left the District and returned, was not required by the District to get another background check completed.

Criteria

NM Statute 22-10(A)-5 states that if an employee terminates and returns, a new background check is required.

Cause

Management was not aware a new background check was required if an employee returns to work.

Effect

As a safety measure, people with serious criminal records may not be fit to have responsibility for the safety and well being of children.

Recommendation

Training and supervision is necessary to avoid all of the above issues.

Response

We will require new background checks for returning employees. The Business Manager is responsible for this issue and expects the finding to be resolved by the end of the fiscal year.

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 Schedule of Findings and Comments
 For the Year Ended June 30, 2015

2015-006 PED Cash-Compliance and Internal Control-Significant Deficiency

Condition

The District's PED Cash Report at year end did not properly reflect the June 30, 2015 reconciled cash balances. There was a difference in the cash balance for Operational \$9,389.74, and Federal Flow through Funds \$948.52

Criteria

6.20.2.11 (B) (6) NMAC and Regulation SBE-6 the reports sent to the New Mexico Public Education Department (PED) must agree to the District's general ledger and must be submitted quarterly and annually by July 31.

Cause

The stale dated checks and balancing in the clearing account caused the audited cash balances to be different than the amounts reported to PED.

Effect

The District is not in compliance with NMAC 6.20.2.11 (b) (6) and Regulation SBE-6. Noncompliance may result in poor decision making by the District's governing board.

Recommendation

Stale dated checks should be resolved by year end and the clearing account closed.

Response

We have closed the clearing account and will resolve the stale dated checks. The Business Manager is responsible and feels as though the problem is currently resolved.

2015-007 Budget Violations-Compliance and Internal Control-Significant Deficiency

Condition

The District has maintained expenditures at the function level in which actual expenditures exceeded budgetary authority in the following funds:

	Over
	Budget
Debt Service-41000	
Support Services	\$ <u><u>(148)</u></u>

Criteria

Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For school district's, the expenditure function is the legal level of control.

Cause

The District did not make the appropriate budgetary adjustments requests and transfers to the funds mentioned in the condition, which would alleviate over-expenditure within the functions prior to the year end.

Effect

As a result, the district is in non compliance with New Mexico law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditures.

Recommendation

The District must establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Response

We will monitor the budget more closely and amend it as necessary. The Business Manager is confident this finding will be resolved by the current fiscal year end.

Financial Statement Preparation-The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

Exit Conference-An exit conference was held on October 28, 2015. Those present were Antoinette Rossi and Matt Ferguson-Board Members, Ricky Espinoza -Superintendent, Elizabeth Montoya-Business Manager Crystal Lucero-Business Support Specialist, and De'Aun Willoughby-CPA.