

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2**

**Annual Financial Report
Year Ended June 30, 2015**



**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2**

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FINANCIAL SECTION

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
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INTRODUCTORY SECTION

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**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
OFFICIAL ROSTER
JUNE 30, 2015**

Board of Education

David G. Romero, Chairman
Marvin J. Martinez, Vice Chairman
Christine Ludi, Secretary
Leroy Benavidez, Member
Pat Marquez, Member

School Officials

Gene Parson, Superintendent
Darice Balizan, Associate Superintendent
Dinah Maynes, Business Manager
Kenneth Abeyta, Assistant Business Manager

**RIO GALLINAS CHARTER SCHOOL
OFFICIAL ROSTER
JUNE 30, 2015**

Board of Education

Crystal Gallegos, Chairwoman
Rudy Castellano, Vice Chairman
Carol Winkel, Secretary
Michael Immerman, Member
Emilio Aragon, Member
Georgina Cruz, Member
David Romero, West Las Vegas School , Board Liaison, Member

School Officials

Gerald Garcia, Director
Lorraine Tafoya, Administrative Assistant

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Mr. Timothy Keller
New Mexico State Auditor

Board of Education of the
West Las Vegas School District No. 2

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of West Las Vegas School District No. 2 (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 non-major governmental funds, and the budgetary comparisons for the major capital projects fund, debt service fund and all non-major funds presented as supplementary information 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the West Las Vegas School District No. 2, as of June 30, 2015, 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 conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to previously present fairly, in all material respect, the respective financial position of each non-major governmental fund of West Las Vegas School District No. 2 as of June 30, 2015, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital projects funds, debt service fund and all non-major funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the Combining and Individual Fund Financial Statements and the budgetary comparisons. The accompanying other supplementary information, the Schedule of Expenditures of Federal Awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2015, on our consideration of West Las Vegas School District No. 2'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 West Las Vegas School District No. 2's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 6, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

As management of the West Las Vegas School District No. 2 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$1.5 million which represents a 8 percent increase from the prior fiscal year as a result of conservative spending.
- General revenues accounted for \$15.5 million in revenue, or 68 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$7.1 million or 32 percent of total current fiscal year revenues.
- The District had approximately \$21.2 million in expenses related to governmental activities, a decrease of 6 percent from the prior fiscal year, due to conservative spending.
- Among major funds, the General Fund had \$14.9 million in current fiscal year revenues, which primarily consisted of state aid, and \$13.9 million in expenditures. The General Fund's fund balance increase from \$224,955 at the prior fiscal year end to \$1.2 million at the end of the current fiscal year was primarily due to an increase in state aid.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, central services, operation and maintenance of plant services, student transportation services, food service operations, and interest on long-term debt.

The government-wide financial statements include a column to report the activity and balances of the Rio Gallinas Charter School, a discretely presented component unit of the District.

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

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

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Food Service, Title I-IASA, IDEA-B Entitlement, Bond Building, and Debt Service Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Due to their custodial nature, the fiduciary funds do not have a measurement focus.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Budgetary information. As a component of the basic financial statements and accompanying notes, this report also presents certain information concerning the District's budget process. The District adopts an annual expenditure budget for all governmental funds. A statement of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and major Special Revenue Funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$20.1 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2015 and June 30, 2014.

| | As of <u>June 30, 2015</u> | As of <u>June 30, 2014</u> |
|----------------------------------|-------------------------------|-------------------------------|
| Current and other assets | \$ 5,879,904 | \$ 5,127,083 |
| Capital assets, net | <u>44,607,077</u> | <u>44,884,163</u> |
| Total assets | <u>50,486,981</u> | <u>50,011,246</u> |
| | | |
| Deferred outflows | <u>1,342,498</u> | <u> </u> |
| | | |
| Current and other liabilities | 298,360 | 642,794 |
| Long-term liabilities | <u>28,361,499</u> | <u>8,458,655</u> |
| Total liabilities | <u>28,659,859</u> | <u>9,101,449</u> |
| | | |
| Deferred inflows | <u>3,091,570</u> | <u> </u> |
| | | |
| Net position: | | |
| Net investment in capital assets | 39,151,964 | 39,098,553 |
| Restricted | 2,135,679 | 1,941,907 |
| Unrestricted | <u>(21,209,593)</u> | <u>(130,663)</u> |
| Total net position | <u>\$ 20,078,050</u> | <u>\$40,909,797</u> |

At the end of the current fiscal, year the District reported positive balances in net investment in capital assets and restricted net position and a negative balance in unrestricted net position. The same situation held true for the prior fiscal year.

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position.

- The principal retirement of \$1.4 million of bonds.
- The issuance of \$1.0 million of general obligation bonds.
- The addition of \$1.9 million in capital assets through school improvements and purchases of vehicles, furniture and equipment.
- The addition of \$20.3 million in pension liabilities due to the implementation of new pension reporting standards.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

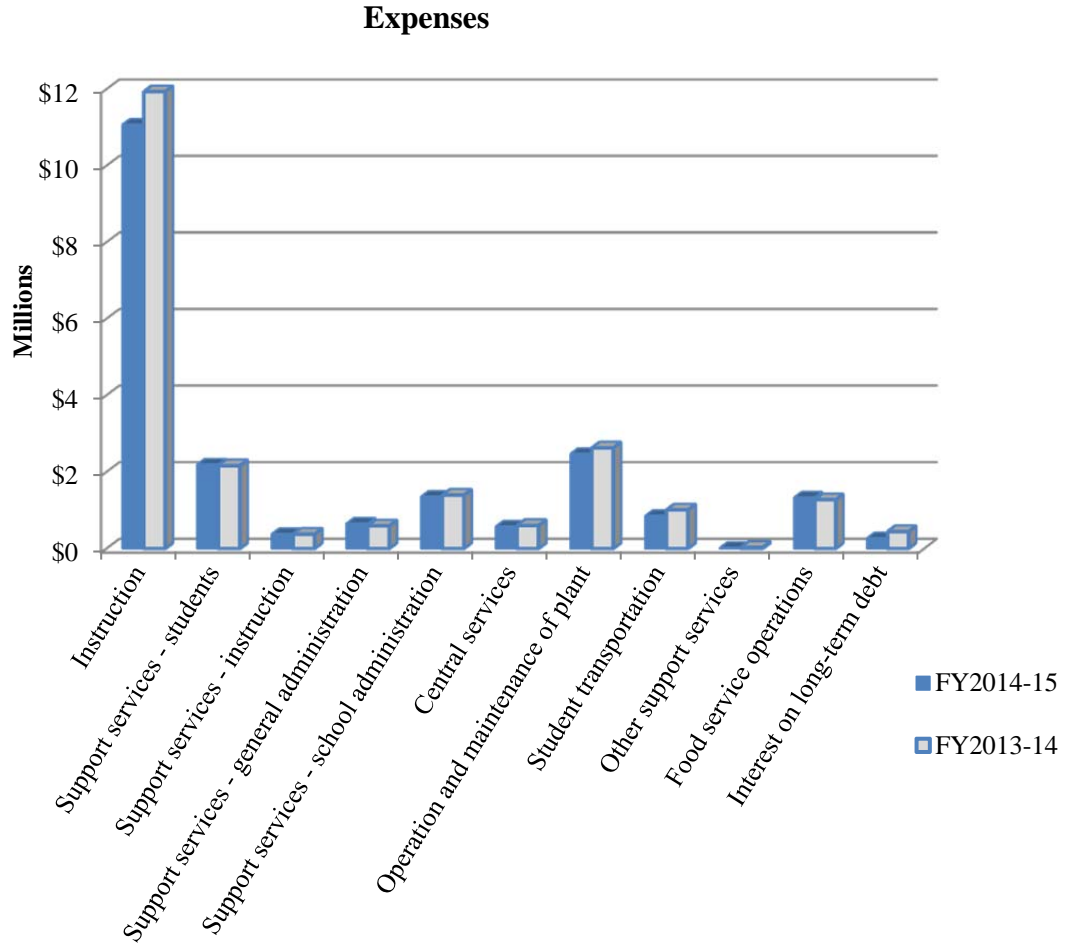
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$22.6 million. The total cost of all programs and services was \$21.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

| | Fiscal Year Ended <u>June 30, 2015</u> | Fiscal Year Ended <u>June 30, 2014</u> |
|---|--|--|
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 230,102 | \$ 177,812 |
| Operating grants and contributions | 5,677,022 | 5,958,906 |
| Capital grants and contributions | 1,230,047 | 1,794,398 |
| General revenues: | | |
| Property taxes | 2,182,809 | 2,201,666 |
| Investment income | 6,922 | 6,208 |
| Unrestricted federal aid | 12,079 | 62,907 |
| State equalization guarantee | 13,272,884 | 12,708,132 |
| Total revenues | <u>22,611,865</u> | <u>22,910,029</u> |
| Expenses: | | |
| Instruction | 11,070,947 | 11,931,226 |
| Support services – students | 2,191,801 | 2,159,498 |
| Support services – instruction | 380,158 | 372,422 |
| Support services – general administration | 650,946 | 589,024 |
| Support services – school administration | 1,354,617 | 1,390,371 |
| Central services | 574,849 | 598,701 |
| Operation and maintenance of plant | 2,469,632 | 2,622,305 |
| Student transportation services | 852,256 | 1,006,328 |
| Other support services | 17,439 | 28,466 |
| Food service operations | 1,330,510 | 1,270,502 |
| Interest on long-term debt | 266,174 | 440,361 |
| Total expenses | <u>21,159,329</u> | <u>22,409,204</u> |
| Changes in net position | <u>1,452,536</u> | <u>500,825</u> |
| Net position, beginning, as restated | <u>18,625,514</u> | <u>40,408,972</u> |
| Net position, ending | <u>\$ 20,078,050</u> | <u>\$ 40,909,797</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



The following are significant current year transactions that had an impact on the change in net position.

- Capital grants and contributions decreased by \$564,351 primarily due to less need for state appropriations provided by the Public School Capital Outlay Council.
- State equalization guarantee increased by \$564,752 primarily as a result of an increase in funding per program unit.
- Instructional expenses decreased by \$860,279, primarily due to efforts by the District to reduce expenses.

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the state and District's taxpayers by each of these functions.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

| | Year Ended June 30, 2015 | | Year Ended June 30, 2014 | |
|---|--------------------------|------------------------|--------------------------|------------------------|
| | Total | Net (Expense)/ | Total | Net (Expense)/ |
| | Expenses | Revenue | Expenses | Revenue |
| Instruction | \$ 11,070,947 | \$ (8,566,275) | \$ 11,931,226 | \$ (8,541,630) |
| Support services – students | 2,191,801 | (1,497,545) | 2,159,498 | (1,582,786) |
| Support services – instruction | 380,158 | (356,585) | 372,422 | (369,424) |
| Support services – general administration | 650,946 | (585,690) | 589,024 | (521,635) |
| Support services – school administration | 1,354,617 | (1,014,275) | 1,390,371 | (1,135,414) |
| Central services | 574,849 | (507,179) | 598,701 | (563,858) |
| Operation and maintenance of plant | 2,469,632 | (1,143,370) | 2,622,305 | (766,788) |
| Student transportation | 852,256 | (84,246) | 1,006,328 | (180,598) |
| Other support services | 17,439 | (17,439) | 28,466 | (28,466) |
| Food service operations | 1,330,510 | 16,620 | 1,270,502 | (347,128) |
| Interest on long-term debt | 266,174 | (266,174) | 440,361 | (440,361) |
| Total | <u>\$ 21,159,329</u> | <u>\$ (14,022,158)</u> | <u>\$ 22,409,204</u> | <u>\$ (14,478,088)</u> |

- The cost of all governmental activities this year was \$21.2 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$7.1 million.
- Net cost of governmental activities of \$14.0 million was financed by general revenues, which are made up of primarily property taxes of \$2.2 million and state aid of \$13.3 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$5.7 million, an increase of \$1.1 million due primarily to conservative spending.

The General Fund comprises 21 percent of the total fund balance. Approximately 96 percent, or \$1.1 million of the General Fund's fund balance, is committed.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund is the principal operating fund of the District. The increase in fund balance of \$968,195 to \$1.2 million as of fiscal year end was a result of an increase in State Equalization guarantee and efforts by the District to reduce expenditures.

General Fund revenues increased \$812,818 due to an increase in state aid and capital contributions. General Fund expenditures decreased \$220,903.

The fund balance of the Food Service Fund increased \$21,583 primarily due to an increase in federal grant revenue.

The fund balance of the Bond Building Fund decreased by \$34,505 or one percent.

The fund balance of the Debt Service Fund increased by \$166,923 due to property tax revenues levied exceeding current year debt service requirements.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund's Operational Fund annual expenditure budget for changes in instruction and operation of maintenance and plant services. The difference between the original budget and the final amended budget was a \$209,362 increase, or two percent.

The revenue budget for the General Fund's Operational Fund was decreased by \$93,346 related to emergency supplemental aid. A statement showing the original and final budget amounts compared to the District's actual financial activity for the General Fund's Operational Fund is provided in this report. The significant variances are summarized as follows.

- The favorable variance of \$261,730 in operation and maintenance of plant expenditures was a result of lower than anticipated costs of communication services.
- The favorable variance of \$498,557 in instruction expenditures was a result of lower than anticipated costs of educational software and supplies.
- The favorable variance of \$163,091 in support services-instruction was a result of lower than anticipated costs of instruction.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$89.8 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$1.9 million from the prior fiscal year, primarily due to various school improvements and acquisitions of vehicles, furniture, and equipment. Total depreciation expense for the current fiscal year was \$2.2 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2015 and June 30, 2014.

| | As of June 30, 2015 | As of June 30, 2014 |
|-----------------------------------|------------------------|------------------------|
| Capital assets – non-depreciable | \$ 1,573,935 | \$ 3,088,633 |
| Capital assets – depreciable, net | 43,033,142 | 41,795,530 |
| Total | <u>\$ 44,607,077</u> | <u>\$ 44,884,163</u> |

The estimated cost to complete current construction projects is \$330,237.

Additional information on the District's capital assets can be found in Note 6.

Debt Administration. At year end, the District had \$7.8 million in long-term debt outstanding, \$2.1 million due within one year. Long-term debt decreased by \$370,000.

The District's general obligation bonds are subject to a debt limit up to 6 percent of the secondary assessed valuation. The current debt limitation for the District is \$10.4 million, which is more than the District's total outstanding general obligation bonds.

Additional information on the District's long-term debt can be found in Notes 8 and 9.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2015-16 budget. Among them:

- Fiscal year 2014-15 budget balance carry forward (estimated \$1,156,698).
- District student population (estimated 1,438).

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Budgeted expenditures in the General Fund's Operational Fund increased less than 1 percent to \$14.3 million in fiscal year 2015-16. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2015-16 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, West Las Vegas School District No. 2, 179 Bridge Street, Las Vegas, New Mexico 87701.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
WEST LAST VEGAS SCHOOL DISTRICT NO.2
STATEMENT OF NET POSITION
JUNE 30, 2015**

| ASSETS | <u>Governmental Activities</u> | <u>Component Unit</u> |
|--|---|----------------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 4,845,754 | \$ 109,832 |
| Taxes receivable | 30,177 | |
| Accounts receivable | 31,662 | |
| Due from governmental entities | <u>972,311</u> | <u>47,160</u> |
| Total current assets | <u>5,879,904</u> | <u>156,992</u> |
| Noncurrent assets: | | |
| Land | 972,505 | |
| Land improvements | 3,737,542 | |
| Buildings and improvements | 70,314,760 | 29,249 |
| Vehicles, furniture and equipment | 13,964,856 | 144,846 |
| Library books | 173,447 | |
| Construction in progress | 601,430 | |
| Accumulated depreciation | <u>(45,157,463)</u> | <u>(144,258)</u> |
| Total noncurrent assets | <u>44,607,077</u> | <u>29,837</u> |
| Total assets | <u><u>\$ 50,486,981</u></u> | <u><u>\$ 186,829</u></u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension plan items | <u>1,342,498</u> | <u>92,404</u> |
| Total assets and deferred outflows of resources | <u><u>\$ 51,829,479</u></u> | <u><u>\$ 279,233</u></u> |

**STATE OF NEW MEXICO
WEST LAST VEGAS SCHOOL DISTRICT NO.2
STATEMENT OF NET POSITION
JUNE 30, 2015**

| | <u>Governmental Activities</u> | <u>Component Unit</u> |
|--|------------------------------------|---------------------------|
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | \$ 205,274 | \$ 4,508 |
| Accrued payroll and employee benefits | | 39,843 |
| Accrued interest payable | 88,544 | |
| Compensated absences payable | 133,326 | |
| Unearned revenues | 4,542 | |
| Bonds payable within one year | 2,070,000 | |
| Total current liabilities | <u>2,501,686</u> | <u>44,351</u> |
| Noncurrent liabilities: | | |
| Noncurrent portion of long-term obligations | <u>26,158,173</u> | <u>1,074,252</u> |
| Total noncurrent liabilities | <u>26,158,173</u> | <u>1,074,252</u> |
| Total liabilities | <u>28,659,859</u> | <u>1,118,603</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension plan items | <u>3,091,570</u> | <u>163,869</u> |
| NET POSITION | | |
| Net investment in capital assets | 39,151,964 | 29,837 |
| Restricted for: | | |
| Capital projects | 138,015 | |
| Federal and state projects | 79,450 | 13,929 |
| Food service operations | 100,180 | 7,789 |
| Other local initiatives | 11,879 | |
| Debt service | 1,806,155 | |
| Unrestricted | <u>(21,209,593)</u> | <u>(1,054,794)</u> |
| Total net position | <u>20,078,050</u> | <u>(1,003,239)</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 51,829,479</u> | <u>\$ 279,233</u> |

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FUND FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015**

| | General Fund | | | |
|---|------------------------|------------------------------------|---------------------------------------|-------------------------|
| | Operational (11000) | Pupil Transportation (13000) | Instructional Materials (14000) | Food Service (21000) |
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents | \$ 368,328 | \$ 365 | \$ 47,364 | \$ 177,986 |
| Taxes receivable | 701 | | | |
| Accounts receivable | 26,156 | | | |
| Due from governmental entities | 5,454 | | | 34,480 |
| Due from other funds | 788,370 | | | |
| Total assets | \$ 1,189,009 | \$ 365 | \$ 47,364 | \$ 212,466 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 39,664 | \$ | \$ 3,924 | \$ 112,286 |
| Due to other funds | | | | |
| Unearned revenues | | | | |
| Total liabilities | 39,664 | | 3,924 | 112,286 |
| Fund balances (deficits): | | | | |
| Nonspendable | | | | |
| Restricted | | 365 | 43,440 | 100,180 |
| Committed | 1,149,345 | | | |
| Assigned | | | | |
| Unassigned | | | | |
| Total fund balances (deficits) | 1,149,345 | 365 | 43,440 | 100,180 |
| Total liabilities and fund balances | \$ 1,189,009 | \$ 365 | \$ 47,364 | \$ 212,466 |

| Title I - IASA (24101) | IDEA-B Entitlement (24106) | Bond Building (31100) | Debt Service (41000) | Non-Major Governmental Funds | Total Governmental Funds |
|---------------------------|----------------------------------|--------------------------|-------------------------|--|--|
| \$ | \$ | \$ 2,385,064 | \$ 1,781,402 24,753 | \$ 85,245 4,723 5,506 511,078 | \$ 4,845,754 30,177 31,662 972,311 788,370 |
| 258,552 | 162,747 | | | | |
| <u>\$ 258,552</u> | <u>\$ 162,747</u> | <u>\$ 2,385,064</u> | <u>\$ 1,806,155</u> | <u>\$ 606,552</u> | <u>\$ 6,668,274</u> |
| \$ | \$ | \$ | \$ | \$ 49,400 367,071 4,542 | \$ 205,274 788,370 4,542 |
| 258,552 | 162,747 | | | | |
| <u>258,552</u> | <u>162,747</u> | <u>-</u> | <u>-</u> | <u>421,013</u> | <u>998,186</u> |
| | | 2,385,064 | 1,806,155 | 185,539 | 4,520,743 1,149,345 |
| | | <u>2,385,064</u> | <u>1,806,155</u> | <u>185,539</u> | <u>5,670,088</u> |
| <u>\$ 258,552</u> | <u>\$ 162,747</u> | <u>\$ 2,385,064</u> | <u>\$ 1,806,155</u> | <u>\$ 606,552</u> | <u>\$ 6,668,274</u> |

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**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Total governmental fund balances \$ 5,670,088

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

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

| | | |
|-------------------------------|---------------------|------------|
| Governmental capital assets | \$ 89,764,540 | |
| Less accumulated depreciation | <u>(45,157,463)</u> | 44,607,077 |

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. (10,177)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

| | | |
|--|--------------------|-------------|
| Deferred outflows of resources related to pensions | 1,342,498 | |
| Deferred inflows of resources related to pensions | <u>(3,091,570)</u> | (1,749,072) |

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

| | | |
|----------------------------------|--------------------|---------------------|
| Accrued interest payable | (88,544) | |
| Compensated absences payable | (254,438) | |
| Net pension liability | (20,266,884) | |
| General obligation bonds payable | <u>(7,830,000)</u> | <u>(28,439,866)</u> |

Net position of governmental activities \$ 20,078,050

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

| | General Fund | | | |
|--|------------------------|------------------------------------|---------------------------------------|-------------------------|
| | Operational (11000) | Pupil Transportation (13000) | Instructional Materials (14000) | Food Service (21000) |
| Revenues: | | | | |
| Property taxes | \$ 53,739 | \$ | \$ | \$ |
| Charges for services | 40,655 | | | 93,748 |
| Interest | 2,069 | 44 | 85 | 141 |
| Miscellaneous | 583,995 | 81 | | |
| State grants | 13,292,361 | 765,558 | 101,952 | |
| Federal grants | 12,079 | | | 1,208,930 |
| Total revenues | <u>13,984,898</u> | <u>765,683</u> | <u>102,037</u> | <u>1,302,819</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 6,642,903 | | 74,151 | |
| Support services-students | 1,483,796 | | | |
| Support services-instruction | 310,944 | | | |
| Support services-general administration | 582,763 | | | |
| Support services-school administration | 1,026,504 | | | |
| Central services | 511,665 | | | |
| Operation and maintenance of plant | 2,387,546 | | | |
| Student transportation | 81,462 | 765,369 | | |
| Other support services | 17,320 | | | |
| Food service operations | | | | 1,281,236 |
| Capital outlay | | | | |
| Debt service - | | | | |
| Principal retirement | | | | |
| Interest and fiscal charges | | | | |
| Bond issuance costs | | | | |
| Total expenditures | <u>13,044,903</u> | <u>765,369</u> | <u>74,151</u> | <u>1,281,236</u> |
| Excess (deficiency) of revenues over expenditures | <u>939,995</u> | <u>314</u> | <u>27,886</u> | <u>21,583</u> |
| Other financing sources (uses): | | | | |
| Issuance of school improvement bonds | | | | |
| Premium on sale of bonds | | | | |
| Transfer in | | | | |
| Transfer out | | | | |
| Total other financing sources (uses): | | | | |
| Changes in fund balances | <u>939,995</u> | <u>314</u> | <u>27,886</u> | <u>21,583</u> |
| Fund balances (deficits), beginning of year | 209,350 | 51 | 15,554 | 78,597 |
| Fund balances (deficits), end of year | <u>\$ 1,149,345</u> | <u>\$ 365</u> | <u>\$ 43,440</u> | <u>\$ 100,180</u> |

| Title I - IASA (24101) | Entitlement IDEA-B (24106) | Bond Building (31100) | Debt Service (41000) | Non-Major Governmental Funds | Total Governmental Funds |
|---------------------------|----------------------------------|--------------------------|-------------------------|------------------------------------|--------------------------------|
| \$ | \$ | \$ | \$ 1,788,509 | \$ 340,561 | \$ 2,182,809 |
| | | | | 49,702 | 184,105 |
| | | 3,255 | 1,317 | 11 | 6,922 |
| | | | | 36,864 | 620,940 |
| | | | | 1,271,655 | 15,431,526 |
| 629,901 | 374,959 | | | 1,959,694 | 4,185,563 |
| 629,901 | 374,959 | 3,255 | 1,789,826 | 3,658,487 | 22,611,865 |
| 432,010 | 263,148 | | | 1,610,197 | 9,022,409 |
| 3,790 | 43,865 | | | 682,310 | 2,213,761 |
| | | | | 23,828 | 334,772 |
| 23,237 | 11,930 | | 17,840 | 15,563 | 651,333 |
| 159,479 | | | | 184,539 | 1,370,522 |
| 11,385 | 56,016 | | | 1,000 | 580,066 |
| | | | | 97,254 | 2,484,800 |
| | | | | 2,478 | 849,309 |
| | | | | | 17,320 |
| | | | | 44,629 | 1,325,865 |
| | | 1,013,654 | | 1,019,623 | 2,033,277 |
| | | | 1,370,000 | | 1,370,000 |
| | | | 235,063 | | 235,063 |
| | | 32,435 | | | 32,435 |
| 629,901 | 374,959 | 1,046,089 | 1,622,903 | 3,681,421 | 22,520,932 |
| | | (1,042,834) | 166,923 | (22,934) | 90,933 |
| | | 1,000,000 | | | 1,000,000 |
| | | 8,329 | | | 8,329 |
| | | 1,008,329 | | | 1,008,329 |
| | | (34,505) | 166,923 | (22,934) | 1,099,262 |
| | | 2,419,569 | 1,639,232 | 208,473 | 4,570,826 |
| \$ | \$ | \$ 2,385,064 | \$ 1,806,155 | \$ 185,539 | \$ 5,670,088 |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

Net changes in fund balances - total governmental funds \$ 1,099,262

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

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

| | | |
|---------------------------------|--------------------|-----------|
| Expenditures for capital assets | 1,929,237 | |
| Less current year depreciation | <u>(2,206,323)</u> | (277,086) |

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.

| | | |
|--------------------------------------|----------------|-------------|
| Issuance of school improvement bonds | (1,000,000) | |
| Premium on sale of bonds | <u>(8,329)</u> | (1,008,329) |

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

1,370,000

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred pension items, is reported as pension expense in the Statement of Activities.

| | | |
|------------------------------------|--------------------|---------|
| Current year pension contributions | 1,342,498 | |
| Pension expense | <u>(1,074,171)</u> | 268,327 |

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

| | | |
|--|--------------|------------|
| Amortization of original issue premium | 3,331 | |
| Accrued interest | (2,007) | |
| Compensated absences | <u>(962)</u> | <u>362</u> |

Changes in net position in governmental activities \$ 1,452,536

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OPERATIONAL (11000)
YEAR ENDED JUNE 30, 2015

| | Budgeted Amounts | | Non-GAAP Actual | Variance with Final Budget |
|--|--------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Revenues: | | | | |
| Property taxes | \$ 54,761 | \$ 54,761 | \$ 53,622 | \$ (1,139) |
| Charges for service | 42,294 | 42,294 | 40,655 | (1,639) |
| Interest | 1,000 | 1,000 | 2,069 | 1,069 |
| Miscellaneous | 459,354 | 459,354 | 607,988 | 148,634 |
| State grants | 13,396,788 | 13,296,788 | 13,292,361 | (4,427) |
| Federal grants | 65,000 | 71,654 | 107,570 | 35,916 |
| Total revenues | <u>14,019,197</u> | <u>13,925,851</u> | <u>14,104,265</u> | <u>178,414</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 7,234,252 | 7,140,906 | 6,642,349 | 498,557 |
| Support services-students | 1,545,509 | 1,612,829 | 1,524,107 | 88,722 |
| Support services-instruction | 416,605 | 376,335 | 303,514 | 72,821 |
| Support services-general administration | 617,591 | 686,130 | 633,877 | 52,253 |
| Support services-school administration | 1,080,110 | 1,035,223 | 1,026,504 | 8,719 |
| Central services | 531,922 | 551,701 | 507,674 | 44,027 |
| Operation and maintenance of plant | 2,545,481 | 2,762,821 | 2,518,459 | 244,362 |
| Student transportation | 77,387 | 92,274 | 81,462 | 10,812 |
| Other support services | 42,553 | 42,553 | 21,906 | 20,647 |
| Food service operations | | | | |
| Capital outlay | | | | |
| Debt service - | | | | |
| Principal retirement | | | | |
| Interest and fiscal charges | | | | |
| Total expenditures | <u>14,091,410</u> | <u>14,300,772</u> | <u>13,259,852</u> | <u>1,040,920</u> |
| Excess (deficiency) of revenues over expenditures | <u>(72,213)</u> | <u>(374,921)</u> | <u>844,413</u> | <u>1,219,334</u> |
| Other financing sources (uses): | | | | |
| Issuance of school improvement bonds | | | | |
| Transfer in | | | | |
| Transfer out | | | | |
| Total other financing sources (uses): | | | | |
| Changes in fund balances | <u>(72,213)</u> | <u>(374,921)</u> | <u>844,413</u> | <u>1,219,334</u> |
| Fund balances (deficits), beginning of year | | | 312,285 | 312,285 |
| Fund balances (deficits), end of year | <u>\$ (72,213)</u> | <u>\$ (374,921)</u> | <u>\$ 1,156,698</u> | <u>\$ 1,531,619</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (74,925) | |
| Expenditure accruals | | | 170,507 | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$ 939,995</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PUPIL TRANSPORTATION (13000)
YEAR ENDED JUNE 30, 2015**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------------|----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$ | \$ | \$ | \$ |
| Charges for service | | | | |
| Interest | | | 44 | 44 |
| Miscellaneous | | | 81 | 81 |
| State grants | 751,487 | 765,558 | 765,558 | |
| Federal grants | | | | |
| Total revenues | <u>751,487</u> | <u>765,558</u> | <u>765,683</u> | <u>125</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | | | | |
| Support services-students | | | | |
| Support services-instruction | | | | |
| Support services-general administration | | | | |
| Support services-school administration | | | | |
| Central services | | | | |
| Operation and maintenance of plant | | | | |
| Student transportation | 703,255 | 765,583 | 765,369 | 214 |
| Other support services | | | | |
| Food service operations | | | | |
| Capital outlay | | | | |
| Debt service - | | | | |
| Principal retirement | | | | |
| Interest and fiscal charges | | | | |
| Total expenditures | <u>703,255</u> | <u>765,583</u> | <u>765,369</u> | <u>214</u> |
| Excess (deficiency) of revenues over expenditures | <u>48,232</u> | <u>(25)</u> | <u>314</u> | <u>339</u> |
| Other financing sources (uses): | | | | |
| Issuance of school improvement bonds | | | | |
| Transfer in | | | | |
| Transfer out | | | | |
| Total other financing sources (uses): | | | | |
| Changes in fund balances | <u>48,232</u> | <u>(25)</u> | <u>314</u> | <u>339</u> |
| Fund balances (deficits), beginning of year | | | 51 | 51 |
| Fund balances (deficits), end of year | <u>\$ 48,232</u> | <u>\$ (25)</u> | <u>\$ 365</u> | <u>\$ 390</u> |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
INSTRUCTIONAL MATERIALS (14000)
YEAR ENDED JUNE 30, 2015

| | Budgeted Amounts | | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------------|--------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$ | \$ | \$ | \$ |
| Charges for service | | | | |
| Interest | | | 85 | 85 |
| Miscellaneous | | | | |
| State grants | | 101,952 | 101,952 | - |
| Federal grants | | | | |
| Total revenues | <u>-</u> | <u>101,952</u> | <u>102,037</u> | <u>85</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | | 101,952 | 70,227 | 31,725 |
| Support services-students | | | | |
| Support services-instruction | | | | |
| Support services-general administration | | | | |
| Support services-school administration | | | | |
| Central services | | | | |
| Operation and maintenance of plant | | | | |
| Student transportation | | | | |
| Other support services | | | | |
| Food service operations | | | | |
| Capital outlay | | | | |
| Debt service - | | | | |
| Principal retirement | | | | |
| Interest and fiscal charges | | | | |
| Total expenditures | <u>-</u> | <u>101,952</u> | <u>70,227</u> | <u>31,725</u> |
| Excess (deficiency) of revenues over expenditures | | | <u>31,810</u> | <u>31,810</u> |
| Other financing sources (uses): | | | | |
| Issuance of school improvement bonds | | | | |
| Transfer in | | | | |
| Transfer out | | | | |
| Total other financing sources (uses): | | | | |
| Changes in fund balances | | | <u>31,810</u> | <u>31,810</u> |
| Fund balances (deficits), beginning of year | | | 15,554 | 15,554 |
| Fund balances (deficits), end of year | <u>\$</u> | <u>\$</u> | <u>\$ 47,364</u> | <u>\$ 47,364</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ | |
| Expenditure accruals | | | (3,924) | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$ 27,886</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOOD SERVICE (21000)
YEAR ENDED JUNE 30, 2015

| | <u>Budgeted Amounts</u> | | <u>Non-GAAP Actual</u> | Variance with |
|--|-------------------------|---------------------|----------------------------|--|
| | <u>Original</u> | <u>Final</u> | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Property taxes | \$ | \$ | \$ | \$ |
| Charges for services | | 21,600 | 93,748 | 72,148 |
| Interest | | 303 | 141 | (162) |
| Miscellaneous | | | | |
| State grants | | 12,500 | | (12,500) |
| Federal grants | | 1,100,000 | 1,122,797 | 22,797 |
| Total revenues | | <u>1,134,403</u> | <u>1,216,686</u> | <u>82,283</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | | | | |
| Support services-students | | | | |
| Support services-instruction | | | | |
| Support services-general administration | | | | |
| Support services-school administration | | | | |
| Central services | | | | |
| Operation and maintenance of plant | | | | |
| Student transportation | | | | |
| Other support services | | | | |
| Food service operations | 1,300,349 | 1,300,349 | 1,283,417 | 16,932 |
| Capital outlay | | | | |
| Debt service - | | | | |
| Principal retirement | | | | |
| Interest and fiscal charges | | | | |
| Total expenditures | <u>1,300,349</u> | <u>1,300,349</u> | <u>1,283,417</u> | <u>16,932</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,300,349)</u> | <u>(165,946)</u> | <u>(66,731)</u> | <u>99,215</u> |
| Other financing sources (uses): | | | | |
| Issuance of school improvement bonds | | | | |
| Transfer in | | | | |
| Transfer out | | | | |
| Total other financing sources (uses): | | | | |
| Changes in fund balances | <u>(1,300,349)</u> | <u>(165,946)</u> | <u>(66,731)</u> | <u>99,215</u> |
| Fund balances (deficits), beginning of year | | | 244,717 | 244,717 |
| Fund balances (deficits), end of year | <u>\$ (1,300,349)</u> | <u>\$ (165,946)</u> | <u>\$ 177,986</u> | <u>\$ 343,932</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ 14,768 | |
| Expenditure accruals | | | 73,546 | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$ 21,583</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TITLE I - IASA (24101)
YEAR ENDED JUNE 30, 2015

| | Budgeted Amounts | | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|----------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$ | \$ | \$ | \$ |
| Charges for service | | | | |
| Interest | | | | |
| Miscellaneous | | | | |
| State grants | | | | |
| Federal grants | | 637,650 | 725,472 | 87,822 |
| Total revenues | | <u>637,650</u> | <u>725,472</u> | <u>87,822</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 434,384 | 434,884 | 432,010 | 2,874 |
| Support services-students | 6,083 | 6,083 | 3,790 | |
| Support services-instruction | | | | - |
| Support services-general administration | | 23,297 | 23,237 | 60 |
| Support services-school administration | 156,426 | 159,676 | 159,479 | 197 |
| Central services | 11,385 | 13,710 | 13,710 | - |
| Operation and maintenance of plant | | | | |
| Student transportation | | | | |
| Other support services | | | | |
| Food service operations | | | | |
| Capital outlay | | | | |
| Debt service - | | | | |
| Principal retirement | | | | |
| Interest and fiscal charges | | | | |
| Total expenditures | <u>608,278</u> | <u>637,650</u> | <u>632,226</u> | <u>5,424</u> |
| Excess (deficiency) of revenues over expenditures | <u>(608,278)</u> | | <u>93,246</u> | <u>93,246</u> |
| Other financing sources (uses): | | | | |
| Issuance of school improvement bonds | | | | |
| Transfer in | | | | |
| Transfer out | | | | |
| Total other financing sources (uses): | | | | |
| Changes in fund balances | <u>(608,278)</u> | | <u>93,246</u> | <u>93,246</u> |
| Fund balances (deficits), beginning of year | | | (351,798) | (351,798) |
| Fund balances (deficits), end of year | <u>\$ (608,278)</u> | <u>\$</u> | <u>\$ (258,552)</u> | <u>\$ (258,552)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (95,571) | |
| Expenditure accruals | | | 2,325 | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL
IDEA-B ENTITLEMENT (24106)
YEAR ENDED JUNE 30, 2015

| | Budgeted Amounts | | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|----------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$ | \$ | \$ | \$ |
| Charges for service | | | | |
| Interest | | | | |
| Miscellaneous | | | | |
| State grants | | | | |
| Federal grants | | 382,272 | 347,667 | (34,605) |
| Total revenues | | <u>382,272</u> | <u>347,667</u> | <u>(34,605)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 269,320 | 269,320 | 263,148 | 6,172 |
| Support services-students | | 44,309 | 43,865 | 444 |
| Support services-instruction | | | | |
| Support services-general administration | 16,763 | 11,931 | 11,930 | 1 |
| Support services-school administration | | | | |
| Central services | 56,016 | 56,712 | 56,711 | 1 |
| Operation and maintenance of plant | | | | |
| Student transportation | | | | |
| Other support services | | | | |
| Food service operations | | | | |
| Capital outlay | | | | |
| Debt service - | | | | |
| Principal retirement | | | | |
| Interest and fiscal charges | | | | |
| Total expenditures | <u>342,099</u> | <u>382,272</u> | <u>375,654</u> | <u>6,618</u> |
| Excess (deficiency) of revenues over expenditures | <u>(342,099)</u> | | <u>(27,987)</u> | <u>(27,987)</u> |
| Other financing sources (uses): | | | | |
| Issuance of school improvement bonds | | | | |
| Transfer in | | | | |
| Transfer out | | | | |
| Total other financing sources (uses): | | | | |
| Changes in fund balances | <u>(342,099)</u> | | <u>(27,987)</u> | <u>(27,987)</u> |
| Fund balances (deficits), beginning of year | | | (134,760) | (134,760) |
| Fund balances (deficits), end of year | <u>\$ (342,099)</u> | <u>\$</u> | <u>\$ (162,747)</u> | <u>\$ (162,747)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ 27,292 | |
| Expenditure accruals | | | 695 | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2015

| | Agency Funds |
|-----------------------------------|-------------------|
| <u>ASSETS</u> | |
| Cash and cash equivalents | \$ 638,120 |
| Total assets | 638,120 |
| | |
| <u>LIABILITIES</u> | |
| Accounts payable | 325 |
| Deposits held in trust for others | 637,795 |
| Total liabilities | \$ 638,120 |

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STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the West Las Vegas School District No. 2 (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.

During the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

The West Las Vegas School District No. 2 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. Management of the District is independent of other state or local governments.

The membership of the Board of Education consists of five members elected by the public. Under existing statutes, the Board of Education's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because 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. Furthermore, component units combined with the District for financial statement presentation purposes, and the District, are not included in any other governmental reporting entity. The District has one discretely presented component unit, Rio Gallinas Charter School (School) for which the District is financially accountable. The School is responsible for separate grades 2-8 education within the West Las Vegas School District's jurisdiction. The District approved the application for a period of three years, after which a review will be conducted. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected Board of Education is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, athletic functions and sponsorship of Rio Gallinas Charter School.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Discretely Presented Component Unit – The Rio Gallinas Charter School (School) is included in the District’s reporting entity because the District appoints the governing body and the School is fiscally dependent on the District. The School is reported as a discretely presented component unit since the governing body is not substantively the same as the governing body of the District. To emphasize that they are legally separate from the District, they are reported in a separate column in the government-wide financial statements. The audited financial statements for the School may be found following in the Rio Gallinas Charter School section of this Annual Financial Report as supplementary information.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District and its component unit. For the most part, the effect of internal activity has been removed from these statements. These statements distinguish between governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

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

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

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments.

Property taxes, state aid, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as unavailable revenues on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District’s Operational Fund (11000) as well as the Pupil Transportation (13000) and Instructional Materials (14000) Funds. These funds are maintained as separate funds for accounting and budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Food Service (21000) – The Food Service Fund accounts for the cost of operating a student breakfast, lunch, snack bar and summer lunch program and is financed with federal grants and fees paid by program users.

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

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

Bond Building Fund (31100) – The Bond Building Fund accounts for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

Debt Service Fund (41000) – The Debt Service Fund accounts for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Additionally, the District reports the following fund types:

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes student activities, which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent.

The agency funds are custodial in nature and do not have a measurement focus and are reported on the accrual basis of accounting. The agency funds are reported by fund type.

D. Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool. Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Interest is separately disclosed in the fund financial statements.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund balances between governmental funds are eliminated on the Statement of Net Position.

All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Property Tax Calendar

Property taxes consist of mill levy and ad-valorem taxes, primarily for debt service and capital outlay purposes. The funds are levied and collected by the San Miguel County Treasurer and are remitted to the District the following month. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies property taxes on or before the first day of November that become due and payable in two equal installments due by November 10 and April 10 of each year. A lien against property attaches on the first day of January preceding assessment and levy.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and expenditures when purchased in the fund financial statements.

I. Capital Assets

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, and equipment; and construction in progress, are reported in the government-wide financial statements.

Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000, per section 12-6-10 NMSA 1978, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital assets are depreciated using the straight line method over the following estimated useful lives:

| | |
|------------------------------------|---------------|
| Land improvements | 20 years |
| Buildings and improvements | 20 – 50 years |
| Vehicles, furniture, and equipment | 4 – 20 years |
| Library books | 6 – 7 years |

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

K. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation and sick leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

L. 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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Long-term Obligation

In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts, as well as the difference between the reacquisition price and net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

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

N. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds.

O. Net Position Flow Assumption

In the government-wide fund financial statements the District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

P. Estimates

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

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 – FUND BALANCES CLASSIFICATIONS

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District's policy is to commit fund balance for budgeted expenditures for the subsequent year.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a management official delegated that authority by the formal Board of Education action. The Business Manager has been delegated that authority.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 – FUND BALANCES CLASSIFICATIONS

The table below provides detail of the major components of the District's fund balance classifications at year end.

| | General Fund | | | | | | | Non-Major Governmental Funds |
|--------------------------------|------------------------|------------------------------------|---------------------------------------|----------------------------|-----------------------------|----------------------------|-------------------|------------------------------------|
| | Operational (11000) | Pupil Transportation (13000) | Instructional Materials (14000) | Food Service (21000) | Bond Building (31100) | Debt Service (41000) | | |
| Primary Government | | | | | | | | |
| Fund Balances: | | | | | | | | |
| Restricted: | | | | | | | | |
| Debt service | \$ | \$ | \$ | \$ | \$ | \$1,806,155 | \$ | |
| Capital projects | | | | | | | | 138,015 |
| Bond building projects | | | | | 2,385,064 | | | |
| Federal projects | | | | | | | | 35,645 |
| Athletics | | | | | | | | 11,679 |
| Food service | | | | 100,180 | | | | |
| Pupil transportation | | 365 | | | | | | |
| Instructional materials | | | 43,440 | | | | | |
| Other purposes | | | | | | | | 200 |
| Committed: | | | | | | | | |
| Subsequent year's expenditures | 1,149,345 | | | | | | | |
| Total fund balances | <u>\$1,149,345</u> | <u>\$ 365</u> | <u>\$ 43,440</u> | <u>\$100,180</u> | <u>\$2,385,064</u> | <u>\$1,806,155</u> | <u>\$ 185,539</u> | |

| Rio Gallinas Charter School | Operational (11000) | Instructional Materials (14000) | Food Service (21000) | Non-Major Governmental Funds |
|------------------------------------|------------------------|---------------------------------------|-------------------------|------------------------------------|
| Fund Balances: | | | | |
| Restricted: | | | | |
| Instructional materials | \$ | \$ 3,083 | \$ | \$ |
| Food service | | | 7,789 | |
| Federal projects | | | | 10,846 |
| Other purposes | | | | 300 |
| Assigned: | | | | |
| Subsequent year's expenditures | 90,623 | | | |
| Total fund balances | <u>\$ 90,623</u> | <u>\$ 3,083</u> | <u>\$ 7,789</u> | <u>\$ 11,146</u> |

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The legal level of budgetary control for the District is at the functional level. The budgetary comparisons are prepared on the Non-GAAP cash basis of accounting. At year end, the following major and nonmajor governmental funds had expenditures that exceeded the budget on a functional level, which constitutes a violation of legal provisions. The District will work with PED to rectify the overbudget situations.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess Expenditures Over Budget:

| | Function | Budget | Expenditures | Excess |
|-------------------------------|---|--------|--------------|---------|
| Major Governmental Fund: | | | | |
| Debt Service | Support services – general administration | 16,456 | 17,840 | (1,384) |
| Non-Major Governmental Funds: | | | | |
| Admin Polo Shirt Donations | Support services – general administration | 0 | 340 | (340) |

NOTE 4 – CASH AND INVESTMENTS

New Mexico state statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution. Excess of funds may be temporarily invested in securities which are issued by the state or by the United States government, or by their departments or agencies, and which are either direct obligations of the state or the United States or are backed by the full faith and credit of those governments.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). New Mexico state statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for a least one half of the amount on deposit with the institution. At year end, the carrying amount of the District's deposits was \$5,483,874 and the bank balance was \$6,416,448. At year end, \$3,082,043 of the District's deposits were covered by collateral held by the pledging institution in the District's name and \$3,084,405 was uninsured and uncollateralized. In addition, the carrying amount of the Charter School's deposits was \$109,832 and the bank balance was \$137,107. At year end, all of the Charter School's deposits were insured by Federal Depository Insurance.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4 – CASH AND INVESTMENTS

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

The following schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits. Rio Gallinas Charter School's cash balances are separate from the District due to the deposits being held under its own EIN number.

Reconciliation of Cash and Temporary Investments

| | |
|---|-----------------------------------|
| | <u>Southwest Capital Bank</u> |
| Total bank balance – District | \$ 6,416,448 |
| Total bank balance – Charter | <u>137,107</u> |
| FDIC coverage – District | <u>(250,000)</u> |
| FDIC coverage – Charter | <u>(137,107)</u> |
| Total uninsured public funds | <u>6,166,448</u> |
| | |
| Pledged collateral held by pledging bank's trust department or agent but not in agency's name | <u>3,082,043</u> |
| | |
| Uninsured and uncollateralized | <u>3,084,405</u> |
| | |
| Collateral requirements (50% of uninsured public funds) | 3,083,224 |
| Pledged security | <u>(3,082,043)</u> |
| Total under (over) collateralized | <u>1,181</u> |
| | |
| Cash and cash equivalents per Statement of Net Position | |
| Governmental activities | 4,845,754 |
| Component Unit | <u>109,832</u> |
| Total cash and cash equivalents per Statement of Net Position | <u>4,955,586</u> |
| | |
| Statement of Assets and Liabilities – Agency Funds | <u>638,120</u> |
| Total carrying amount of deposits | <u>\$ 5,593,706</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4 – CASH AND INVESTMENTS

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

Credit Risk. The District has no investment policy that would further limit its investment choices.

NOTE 5 – RECEIVABLES

Receivable balances, net of allowance for uncollectible accounts, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for the District's individual major funds and non-major government funds in the aggregate, were as follows:

| | Operational (11000) | Food Service (21000) | Title I – IASA (24101) | Entitlement IDEA-B (24106) | Non-Major Governmental and Other Funds |
|---|------------------------|----------------------------|------------------------------|----------------------------------|---|
| <u>Primary Government</u> | | | | | |
| Due from other governmental entities: | | | | | |
| Due from federal government | \$ 5,454 | \$ 34,480 | \$ 258,552 | \$ 162,747 | \$ 182,841 |
| Due from state government | | | | | 328,237 |
| Net due from governmental entities | <u>\$ 5,454</u> | <u>\$ 34,480</u> | <u>\$ 258,552</u> | <u>\$ 162,747</u> | <u>\$ 511,078</u> |
| | | Total | | | |
| | | Governmental | | | |
| | | Funds | | | |
| <u>Rio Gallinas Charter School</u> | | | | | |
| Due from other governmental entities: | | | | | |
| Due from federal government | \$ 21,968 | | | | |
| Due from state government | 25,192 | | | | |
| Net due from governmental entities | <u>\$ 47,160</u> | | | | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 – CAPITAL ASSETS

A summary of capital asset activity for the current fiscal year follows:

| West Las Vegas School District | Beginning Balance | Increase | Decrease | Ending Balance |
|--|----------------------|---------------------|---------------------|----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 692,253 | \$ 280,252 | | 972,505 |
| Construction in progress | 2,396,380 | 1,489,296 | 3,284,246 | 601,430 |
| Total capital assets, not being depreciated | <u>3,088,633</u> | <u>1,769,548</u> | <u>3,284,246</u> | <u>1,573,935</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 3,731,417 | 6,125 | | 3,737,542 |
| Buildings and improvements | 67,082,687 | 3,232,073 | | 70,314,760 |
| Vehicles, furniture and equipment | 13,759,119 | 205,737 | | 13,964,856 |
| Library books | 173,447 | | | 173,447 |
| Total capital assets being depreciated | <u>84,746,670</u> | <u>3,443,935</u> | | <u>88,190,605</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | (1,267,471) | (190,034) | | (1,457,505) |
| Buildings and improvements | (29,327,220) | (1,381,982) | | (30,709,202) |
| Vehicles, furniture and equipment | (12,183,072) | (634,237) | | (12,817,309) |
| Library books | (173,377) | (70) | | (173,447) |
| Total accumulated depreciation | <u>(42,951,140)</u> | <u>(2,206,323)</u> | | <u>(45,157,463)</u> |
| Total capital assets, being depreciated, net | <u>41,795,530</u> | <u>1,237,612</u> | | <u>43,033,142</u> |
| Governmental activities capital assets, net | <u>\$ 44,884,163</u> | <u>\$ 3,007,160</u> | <u>\$ 3,284,246</u> | <u>\$ 44,607,077</u> |
| | | | | |
| Rio Gallinas Charter School | Beginning Balance | Increase | Decrease | Ending Balance |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 29,249 | \$ | \$ | \$ 29,249 |
| Vehicles, furniture and equipment | 144,846 | | | 144,846 |
| Total capital assets being depreciated | <u>174,095</u> | | | <u>174,095</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (9,853) | (1,228) | | (11,081) |
| Vehicles, furniture and equipment | (122,637) | (10,540) | | (133,177) |
| Total accumulated depreciation | <u>(132,490)</u> | <u>(11,768)</u> | | <u>(144,258)</u> |
| Component unit capital assets, net | <u>\$ 41,605</u> | <u>\$ (11,768)</u> | <u>\$</u> | <u>\$ 29,837</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 – CAPITAL ASSETS

Depreciation expense during the current fiscal year was charged to governmental activities as follows:

| | District | Charter School |
|---|--------------|-------------------|
| Instruction | \$ 2,148,074 | \$ 11,768 |
| Support services – instruction | 47,990 | |
| Support services – general administration | 3,502 | |
| Central services | 404 | |
| Operation and maintenance of plant services | 3,008 | |
| Student transportation | 672 | |
| Food service operations | 2,673 | |
| Total depreciation expense | \$ 2,206,323 | \$ 11,768 |

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the renovation of school buildings. At year end, the District had spent \$601,430 on the projects and had estimated remaining contractual commitments of \$330,237. These projects are being funded with bond proceeds.

NOTE 7 – OBLIGATIONS UNDER OPERATING LEASE

Operating Leases – The District leases various copiers, and the Charter School leases a building under the provisions of long-term lease agreements classified as operating leases for accounting purposes. Rental expenditures under the terms of the operating leases totaled \$40,429 for the District and \$34,800 for the Charter School for the current fiscal year. The operating leases have remaining noncancelable lease terms and provide renewal options. The future minimum rental payments required under the operating leases at year end, were as follows:

| Year Ending June 30: | District |
|---------------------------------|-----------|
| 2016 | \$ 40,429 |
| 2017 | 18,155 |
| 2018 | 5,365 |
| Total minimum payments required | \$ 63,949 |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized \$3.2 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

| Purpose | Original Amount Issued | Interest Rates | Remaining Maturities | Outstanding Principal June 30, 2015 | Due Within One Year |
|---|------------------------------|-------------------|-------------------------|---|---------------------------|
| Governmental activities: | | | | | |
| General Obligation Bonds, Series 2003B | \$ 860,000 | 3.90% | 12/1/15 | \$ 105,000 | \$ 105,000 |
| General Obligation Bonds, Series 2004 | 430,000 | 4.50% | 12/1/15 | 45,000 | 45,000 |
| General Obligation Bonds, Series 2005 | 1,200,000 | 3.65-3.95% | 12/1/15-18 | 455,000 | 110,000 |
| General Obligation Bonds, Series 2008 | 1,500,000 | 5.00% | 10/1/15 | 1,000,000 | 1,000,000 |
| General Obligation Bonds, Series 2009 | 950,000 | 3.40-4.10% | 7/15/15-16 | 500,000 | 100,000 |
| General Obligation Bonds, Series 2010 | 1,100,000 | 2.65-2.90% | 1/15/16-17 | 1,100,000 | |
| General Obligation Bonds, Series 2010A | 775,000 | 2.85-3.00% | 8/15/16-17 | 775,000 | 500,000 |
| General Obligation Bonds, Series 2011 | 1,200,000 | 1.25-2.75% | 8/15/15-19 | 1,075,000 | 75,000 |
| General Obligation Bonds, Series 2012 | 975,000 | 1.80% | 10/1/15-19 | 975,000 | 25,000 |
| General Obligation Bonds, Series 2013 | 800,000 | 0.10-3.19% | 8/15/15-25 | 800,000 | 25,000 |
| General Obligation Bonds, Series 2014 | 1,000,000 | 2.00% -3.00% | 8/15/15-26 | 1,000,000 | 85,000 |
| Total | | | | <u>\$ 7,830,000</u> | <u>\$ 2,070,000</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Annual debt service requirements to maturity on general obligation bonds at year end are summarized as follows:

| Year ending June 30: | Principal | Interest |
|----------------------|---------------------|-------------------|
| 2016 | \$ 2,070,000 | \$ 198,669 |
| 2017 | 1,635,000 | 134,340 |
| 2018 | 890,000 | 89,874 |
| 2019 | 920,000 | 67,679 |
| 2020 | 990,000 | 45,471 |
| 2021-25 | 1,025,000 | 92,958 |
| 2026-27 | 300,000 | 6,050 |
| Total | <u>\$ 7,830,000</u> | <u>\$ 635,041</u> |

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the current fiscal year was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|----------------------|---------------------|---------------------|----------------------|------------------------|
| Primary Government: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 8,200,000 | \$ 1,000,000 | \$ 1,370,000 | \$ 7,830,000 | \$ 2,070,000 |
| Premium | 5,179 | 8,329 | 3,331 | 10,177 | |
| Total bonds payable | <u>8,205,179</u> | <u>1,008,329</u> | <u>1,373,331</u> | <u>7,840,177</u> | <u>2,070,000</u> |
| Net pension liability | 22,284,283 | | 2,017,399 | 20,266,884 | |
| Compensated absences payable | 253,476 | 83,812 | 82,850 | 254,438 | 133,326 |
| Governmental activity long-term liabilities | <u>\$ 30,742,938</u> | <u>\$ 1,092,141</u> | <u>\$ 3,473,580</u> | <u>\$ 28,361,499</u> | <u>\$ 2,203,326</u> |
| Rio Gallinas Charter School: | | | | | |
| Net pension liability | <u>\$ 1,181,184</u> | <u>\$</u> | <u>\$ 106,932</u> | <u>\$ 1,074,252</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

| <u>Primary Government:</u> | <u>Operational Fund</u> |
|------------------------------|-----------------------------|
| Title I – IASA Fund | \$ 258,552 |
| IDEA-B Entitlement Fund | 162,747 |
| Non-Major Governmental Funds | <u>367,071</u> |
| Total Due from Other Funds | <u>\$ 788,370</u> |

| <u>Rio Gallinas Charter School:</u> | <u>Operational Fund</u> |
|--|-----------------------------|
| 2012 GO Bonds Student Library SB-66 Fund | \$ 3,044 |
| New Mexico Reads to Lead K-3 Reading Initiative Fund | 10,553 |
| Lease Capital Fund | 14,987 |
| Capital Improvements SB-9 Fund | <u>10,205</u> |
| Total Due from Other Funds | <u>\$ 38,789</u> |

At year end, several funds had negative cash balances in the District’s pooled cash accounts. Negative cash in bank was reduced by interfund borrowing with other funds. All interfund balances are expected to be paid within one year.

Interfund transfers: Transfers between the School Library Materials FY08 Fund and Operational Fund of \$316 at the Rio Gallinas Charter School were to move cash balances remaining in the discontinued fund to the General Fund. In addition the transfers between the Operational Fund and the Fresh Fruits and Vegetables Fund of \$456 at the Rio Gallinas Charter School were to close out the discontinued fund to the General Fund.

NOTE 11 – CONTINGENT LIABILITIES

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

Lawsuits – The District and Charter School are parties to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District and Charter School management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District belongs to the New Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The risk management program includes workers compensation, general and automobile liability, automobile physical damage, and property and crime, and employee health and accident coverage. Also included under the risk management program are boiler, machinery and student accident insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$1,000 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful performance. A limit of \$250,000 applies to depositor's forgery, credit card forgery and money orders. A limit of \$100,000 applies to Money and Security, which includes a \$750 deductible. In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall.

NOTE 13 – POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN

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

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

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13 – POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN

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 percent of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statutes required each participating employer to contribute 2.5 percent of each participating employee's annual salary; and each participating employee was required to contribute 1.25 percent 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 percent of each participating employee's annual salary; each participating employee was required to contribute 1.0 percent of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$192,671, \$194,410, and \$205,294, respectively, which equal the required contributions for each year. The Charter School's contributions to the RHCA for the years ended June 30, 2015, 2014, and 2013 were \$13,296, \$10,006, and \$10,001, respectively, which equal the required contributions for each year.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

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

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

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 percent survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50 percent survivor's benefit.

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

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 four percent nor be less than two percent, unless the change in CPI is less than two percent, 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 percent 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 percent COLA reduction; their average COLA will be 1.8 percent. All other retirees will have a 20 percent COLA reduction; their average COLA will be 1.6 percent. Once the funding is greater than 90 percent, 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 five percent COLA reduction; their average COLA will be 1.9 percent. All other retirees will have a 10 percent COLA reduction; their average will be 1.8 percent. 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 two percent of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) two percent 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, District, and the Charter School 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 percent of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90 percent and employees earning more than \$20,000 contributed 10.10 percent of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90 percent, and employees earning \$20,000 or less continued to contribute 7.90 percent and employees earning more than \$20,000 contributed an increased amount of 10.70 percent of their gross annual salary. Contributions to the pension plan from the District and Charter School were \$1,342,498 and \$92,404, respectively.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

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 and Charter School reported a liability of \$20,266,884 and \$1,074,252, respectively for its proportionate share of the net pension liability. The District and Charter School'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 and Charter School's proportion was 0.37 percent, which was a decrease of 0.02 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District and Charter School recognized pension expense of \$1,074,171 and \$56,937, respectively. At June 30, 2015, the District and Charter School 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 | |
|--|-----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| | Primary Government | Rio Gallinas Charter School | Primary Government | Rio Gallinas Charter School |
| Differences between expected and actual experience | \$ | \$ | \$ 301,905 | \$ 16,003 |
| Net difference between projected and actual earnings on pension plan investments | | | 1,842,355 | 97,654 |
| Changes in proportion and differences between District and Charter School contributions and proportionate share of contributions | | | 947,310 | 50,212 |
| District and Charter School contributions subsequent to the measurement date | 1,342,498 | 92,404 | | |
| Total | <u>\$ 1,342,498</u> | <u>\$ 92,404</u> | <u>\$ 3,091,570</u> | <u>\$ 163,869</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

The \$1,342,498 and \$92,404 reported as deferred outflows of resources related to pensions resulting from District and Charter School contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | Primary Government | Rio Gallinas Charter School |
|---------------------|-----------------------|--------------------------------|
| Year Ended June 30: | | |
| 2016 | \$ 894,344 | \$ 47,405 |
| 2017 | 894,344 | 47,405 |
| 2018 | 842,293 | 44,646 |
| 2019 | 460,588 | 24,414 |

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 percent during the fiscal year ending June 30, 2014 and 10.70 percent 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 percent 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.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

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 | Five year smoothed market for funding valuation (fair value for financial valuation) |
| Inflation | 3.00 percent |
| 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 percent |
| Retirement Age | Experience based table of age and service rates |
| Mortality | 90 percent of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females) |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

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 Long-Term Expected Real Rate of Return | 2013 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% |
| 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% |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

Discount rate: A single discount rate of 7.75 percent 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 percent. 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 and Charter School’s proportionate share of the net pension liability to changes in the discount rate. The following table presents the District and Charter School’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District and Charter School’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate.

| | 1% Decrease (6.75%) | Current Discount Rate (7.75%) | 1% Increase (8.75%) |
|---|------------------------|-------------------------------------|------------------------|
| Primary Government’s proportionate share of the net pension liability | \$ 27,575,436 | \$ 20,266,884 | \$ 14,162,261 |
| Rio Gallinas Charter School’s proportionate share of the net position pension liability | 1,461,643 | 1,074,252 | 750,674 |

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.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

Beginning Net Position Restatement. The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, represents a change in accounting principle. Net position as of July 1, 2014, has been restated as follows for this change in accounting principle:

| | Statement of Activity | |
|---|-----------------------|---------------------|
| | Primary Government | Component Unit |
| Net position, June 30, 2014, as previously reported | \$ 40,909,797 | \$ 303,558 |
| Net pension liability | <u>(22,284,283)</u> | <u>(1,181,184)</u> |
| Net position, July 1, 2014, as restated | <u>\$ 18,625,514</u> | <u>\$ (877,626)</u> |

REQUIRED SUPPLEMENTARY INFORMATION

WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EDUCATION RETIREMENT BOARD
YEAR ENDED JUNE 30, 2015

| | <u>2015</u> | |
|--|---------------------------|--|
| | <u>Primary Government</u> | <u>Rio Gallinas Charter School</u> |
| Proportion of the net pension liability (asset) | 0.37% | |
| Proportionate share of the net pension liability (asset) | \$ 20,266,884 | \$ 1,074,252 |
| Covered-employee payroll | \$ 10,342,063 | \$ 576,223 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 195.97% | 186.43% |
| Plan fiduciary net position as a percentage of the total pension liability | 66.54% | 66.54% |

SCHEDULE OF CONTRIBUTIONS
EDUCATION RETIREMENT BOARD
YEAR ENDED JUNE 30, 2015

| | <u>2015</u> | |
|--|---------------------------|--|
| | <u>Primary Government</u> | <u>Rio Gallinas Charter School</u> |
| Actuarially determined contribution | \$ 1,342,498 | \$ 92,404 |
| Contributions in relation to the actuarially determined contribution | <u>1,342,498</u> | <u>92,404</u> |
| Contribution deficiency (excess) | <u>\$</u> | <u>\$</u> |
| Covered-employee payroll | \$ 10,242,485 | \$ 686,588 |
| Contributions as a percentage of covered-employee payroll | 13.11% | 13.46% |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
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 14 – Pension Plan – Educational Retirement Board.

Changes of assumptions. ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on 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 percent to 4.25 percent
 - b. Lower payroll growth from 3.75 percent to 3.50 percent
 - c. Minor changes to demographic assumptions
 - d. Population growth per year from 0.75 percent to 0.50 percent

2. Assumptions that were not changed:
 - a. Investment return will remain at 7.75 percent
 - b. Inflation will remain at 3.00 percent

See also Actuarial Assumptions subsection of the financial statement note disclosure 14 – Pension Plan – Educational Retirement Board.

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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GOVERNMENTAL FUNDS

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2015**

| | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Total Non- Major Governmental Fund</u> |
|---|------------------------------|------------------------------|---|
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$ 32,660 | \$ 52,585 | \$ 85,245 |
| Taxes receivable | | 4,723 | 4,723 |
| Accounts receivable | 5,506 | | 5,506 |
| Due from governmental entities | <u>376,079</u> | <u>134,999</u> | <u>511,078</u> |
| Total assets | <u><u>\$ 414,245</u></u> | <u><u>\$ 192,307</u></u> | <u><u>\$ 606,552</u></u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts payable | \$ 203 | \$ 49,197 | \$ 49,400 |
| Due to other funds | 361,976 | 5,095 | 367,071 |
| Unearned revenues | <u>4,542</u> | | <u>4,542</u> |
| Total liabilities | <u><u>366,721</u></u> | <u><u>54,292</u></u> | <u><u>421,013</u></u> |
| Fund balances: | | | |
| Restricted | <u>47,524</u> | <u>138,015</u> | <u>185,539</u> |
| Total fund balances | <u><u>47,524</u></u> | <u><u>138,015</u></u> | <u><u>185,539</u></u> |
| Total liabilities and fund balances | <u><u>\$ 414,245</u></u> | <u><u>\$ 192,307</u></u> | <u><u>\$ 606,552</u></u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2015**

| | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Total Non-Major Governmental Funds</u> |
|---|------------------------|-------------------------|---|
| Revenues: | | | |
| Property taxes | \$ | \$ 340,561 | \$ 340,561 |
| Charges for services | 49,702 | | 49,702 |
| Interest | 11 | | 11 |
| Miscellaneous | 36,864 | | 36,864 |
| State grants | 580,437 | 691,218 | 1,271,655 |
| Federal grants | 1,959,694 | | 1,959,694 |
| Total revenues | <u>2,626,708</u> | <u>1,031,779</u> | <u>3,658,487</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 1,610,197 | | 1,610,197 |
| Support services-students | 682,310 | | 682,310 |
| Support services-instruction | 23,828 | | 23,828 |
| Support services-general administration | 12,205 | 3,358 | 15,563 |
| Support services-school administration | 184,539 | | 184,539 |
| Central services | 1,000 | | 1,000 |
| Operation and maintenance of plant | 97,254 | | 97,254 |
| Student transportation | 2,478 | | 2,478 |
| Food service operations | 44,629 | | 44,629 |
| Capital outlay | | 1,019,623 | 1,019,623 |
| Total expenditures | <u>2,658,440</u> | <u>1,022,981</u> | <u>3,681,421</u> |
| Changes in fund balances | <u>(31,732)</u> | <u>8,798</u> | <u>(22,934)</u> |
| Fund balances, beginning of year | 79,256 | 129,217 | 208,473 |
| Fund balances, end of year | <u>\$ 47,524</u> | <u>\$ 138,015</u> | <u>\$ 185,539</u> |

SPECIAL REVENUE FUNDS

Athletics (22000) – To account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund.

Non-Instructional Support (23000) – To account for budgeted revenues and expenditures which relate to student activities rather than athletics.

Scoreboard Donations (23010) – To account for funds received to operate and maintain the scoreboards for the District.

Admin. Polo Shirt Donations (23015) – To account for donations received to purchase polos for administrative staff.

IDEA-B Discretionary (24107) – To account for funds administered through the State Public Education Office to provide professional development to special and regular education teachers who teach children with disabilities to improve educational instruction.

IDEA-B Preschool (24109) – To account for the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

Education of Homeless (24113) – To account for homeless children and youth to have equal access to the same free, appropriate public education as other children; to provide activities for and services to ensure that these children enroll in, attend, and achieve success in school; to establish or designate an office in each state educational agency (SEA) for the coordination of education for homeless children and youth; to develop and implement programs for school personnel to heighten awareness of specific problems of homeless children and youth; and to provide grants to local educational agencies (LEAs). Authorized by McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.

Fresh Fruit and Vegetables (24118) – To account for assistance to States, through cash grants, in providing free fresh fruit and vegetables to school children in designated participating schools beginning in school year 2004/2005. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769

21st Century Program (24119) – To account for a federal grant to provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment for children, particularly students who attend high-poverty and low-performing schools. Authorized by the Elementary and Secondary Education Act of 1965, as amended, Title IV, Part B.

IDEA-B Risk Pool (24120) – To account for funding for students with disabilities who are parentally placed in private elementary and secondary schools ("equitable participation services") located in the school district.

ELL Title III Incentive Awards (24143) – To account for English language learners including immigrant children and youth develop English proficiency and meet the same academic content and achievement standards that all students are expected to meet. (33-3-25 NMSA 1978)

English Language Acquisition (24153) – To account for the educational performance of limited English proficient students by assisting the children to learn English and meet state academic content standards. (Resolution R-98-33)

Teacher/Principal Training and Recruiting Fund (24154) – The Teacher/Principal Training and Recruiting Fund accounts for the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students. Funding is authorized by Ordinance #55.

Title IV-A Safe & Drug Free Schools & Community (24157) – To account for a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources. (1948 Resolution)

21st Century Community Learning Centers (24159) – To account for the encouragement of eligible entities to provide or maintain a guarantee to eligible low income students who obtain a secondary diploma, of the financial assistance necessary to permit the student to attend an institution of higher education; and provide additional support services to students who are at risk of dropping out of school. Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, Public Law 105-244. (Resolution 95-41)

Rural and Low Income Schools (24160) – To account for and encourage eligible entities to provide or maintain a guarantee to eligible low income students who obtain a secondary diploma, of the financial assistance necessary to permit the student to attend an institution of higher education; and provide additional support services to students who are at risk of dropping out of school. Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, Public Law 105-244

Title I School Improvement (24162) – To account for provision of supplemental educational opportunities for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

Youth Resiliency Project (24186) – To account for the promotion of protective factors and risk behaviors that contribute to the leading causes of death, disability, and social problems among youth and adults.

Head Start (25127) – To account for the promotion of school readiness by enhancing the social and cognitive development of low-income children, including children on federally recognized reservations and children of migratory farm workers, through the provision of comprehensive health, education, nutritional, social and other services; and to involve parents in their children’s learning and to help parents make progress toward their educational, literacy and employment goals. Head Start also emphasizes the significant involvement of parents in the administration of the local Head start programs. Community Opportunities, Accountability, Training, and Educational Services Act of 1998, Title I, Sections 101-119.

Title XIX Medicaid 3/21 Years (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.

Carol M. White Physical Fitness (25241) – To account for the mobilization of partner resources to initiate and sustain a coordinated, community-wide focus on lifelong physical fitness and health. The program addresses gaps based on lack of time for physical and health education during schools and responds to key health, behavior, and student performance indicators.

State Equalization Guarantee – Federal Stimulus (25250) – To account for funding for the support of public elementary, secondary, postsecondary and, as applicable, for early childhood programs and services.

New Mexico Community Foundation (26176) – To account for a health education/obesity prevention program that will serve 1,596 elementary school students from 13 schools in two districts in rural New Mexico. The goal of the program is to mobilize resources and sustain a community wide focus on lifelong physical fitness and health.

Dual Credit Instructional Materials HB-2 Laws of 2009 (27103) – To account for reimbursement to the District for textbooks for courses that award both high school and college credit (Dual Enrollment).

Literacy for Children at Risk (27107) – To account for a program funded by the State of New Mexico to provide children at risk of academic failure with opportunities to develop reading skills.

New Mexico Reads to Lead K-3 Reading Initiative (27114) – To account for an early reading initiative funded by the State of New Mexico to ensure that children can read by the end of third grade, giving them essential skills for future career and college success.

Pre-K Initiative (27149) – To account for the provision of direct services to 30 4-year-old children in PreK (Pre-Kindergarten) programs.

Breakfast for Elementary Students (27155) – To account for Student wellness enhancement by more students eating a nutritious breakfast; especially school breakfast. The 2009 Dairy MAX School Wellness through Expanding Breakfast Grant Program can help your schools begin new expanded breakfast programs to improve student access to nutritious meal and also the grant can help your district fund the tactics of your district wellness policy.

Kindergarten-Three Plus (27166) – To account for the 2007 sponsored House Bill 198 by Representative Mimi Stewart established allow funding to New Mexico public schools and districts to develop a six year pilot project that extends to the school year for kindergarten through third grade by up to two months for participating students to measure the effect of additional time on literacy, numeric and social skills development.

Libraries – SB 301 G.O. Bonds – Laws of 2006 (27170) – To account for the statute that specifies that the funds are available to acquire library books, equipment, and library resources for public schools and juvenile detention libraries.

Next Generation Assessments (27185) – To account for funding received from the State of New Mexico for the implementation of new statewide assessments that are aligned with the Common Core State Standards.

Community Health Prom DOH (28149) – To account for quality direct care though integrated primary care and behavioral health services, as well as coordination for these services, through a Level one, two, three School-Based Health Center at main school site to students, children of students and school staff.

Private Direct Grants (Categorical) (29102) – To account for National Guard funding to purchase items and materials needed to open a career center at West Las Vegas High School.

Teen Pregnancy (29103) – To account for revenues and expenditures to provide an adolescent pregnancy prevention program at West Las Vegas School District Middle School in the after-school hours using Teen Outreach Prevention Curriculum (TOP). The fund was created by provision in a contract.

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**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

| | Athletics (22000) | Scoreboard Donations (23010) | IDEA-B Discretionary (24107) |
|---|-----------------------------|------------------------------------|------------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$ 11,679 | \$ 200 | \$ |
| Accounts receivable | | | |
| Due from governmental entities | | | 6,134 |
| Total assets | <u>\$ 11,679</u> | <u>\$ 200</u> | <u>\$ 6,134</u> |
| | | | |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts payable | \$ | \$ | \$ |
| Due to other funds | | | 6,134 |
| Unearned revenues | | | |
| Total liabilities | <u> </u> | <u> </u> | <u>6,134</u> |
| | | | |
| Fund balances: | | | |
| Restricted | <u>11,679</u> | <u>200</u> | <u> </u> |
| Total fund balances | <u>11,679</u> | <u>200</u> | <u> </u> |
| | | | |
| Total liabilities and fund balances | <u>\$ 11,679</u> | <u>\$ 200</u> | <u>\$ 6,134</u> |

| <u>IDEA-B Preschool (24109)</u> | <u>Fresh Fruit and Vegetables (24118)</u> | <u>21st Century Program (24119)</u> | <u>IDEA-B Risk Pool (24120)</u> | <u>ELL Title III Incentive Awards (24143)</u> | <u>English Language Acquisition (24153)</u> |
|---|---|---|-------------------------------------|---|---|
| \$ | \$ | \$ | \$ | \$ | \$ |
| 921 | 1,849 | 45,038 | 331 | 8,666 | 8,262 |
| <u>\$ 921</u> | <u>\$ 1,849</u> | <u>\$ 45,038</u> | <u>\$ 331</u> | <u>\$ 8,666</u> | <u>\$ 8,262</u> |
| \$ | \$ | \$ | \$ | \$ | \$ |
| 921 | 1,849 | 45,038 | 331 | 8,666 | 203 8,059 |
| <u>921</u> | <u>1,849</u> | <u>45,038</u> | <u>331</u> | <u>8,666</u> | <u>8,262</u> |
| <u>\$ 921</u> | <u>\$ 1,849</u> | <u>\$ 45,038</u> | <u>\$ 331</u> | <u>\$ 8,666</u> | <u>\$ 8,262</u> |

(Continued)

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

| | Teacher/Princip al Training and Recruiting (24154) | Title IV-A Safe & Drug Free Schools & Community (24157) | 21st Century Community Learning Centers (24159) |
|---|---|---|--|
| | <u> </u> | <u> </u> | <u> </u> |
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$ | \$ | \$ |
| Accounts receivable | | | |
| Due from governmental entities | 61,336 | 10,588 | 19,008 |
| Total assets | <u>\$ 61,336</u> | <u>\$ 10,588</u> | <u>\$ 19,008</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts payable | \$ | \$ | \$ |
| Due to other funds | 61,336 | 10,588 | 19,008 |
| Unearned revenues | | | |
| Total liabilities | <u>61,336</u> | <u>10,588</u> | <u>19,008</u> |
| Fund balances: | | | |
| Restricted | | | |
| Total fund balances | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities and fund balances | <u>\$ 61,336</u> | <u>\$ 10,588</u> | <u>\$ 19,008</u> |

| <u>Rural and Low- Income Schools (24160)</u> | <u>Youth Resiliency Project (24186)</u> | <u>Title XIX Medicaid 3/21 Years (25153)</u> | <u>New Mexico Community Foundation (26176)</u> | <u>Literacy for Children at Risk (27107)</u> | <u>New Mexico Reads to Lead K -3 Reading Initiative (27114)</u> |
|--|---|--|--|--|---|
| \$ | \$ | \$ 16,239 | \$ 413 | \$ | \$ |
| 961 | 341 | 19,406 | | 23,828 | 14,989 |
| <u>\$ 961</u> | <u>\$ 341</u> | <u>\$ 35,645</u> | <u>\$ 413</u> | <u>\$ 23,828</u> | <u>\$ 14,989</u> |
| \$ | \$ | \$ | \$ | \$ | \$ |
| 961 | 341 | | 413 | 23,828 | 14,989 |
| <u>961</u> | <u>341</u> | | <u>413</u> | <u>23,828</u> | <u>14,989</u> |
| | | 35,645 | | | |
| | | <u>35,645</u> | | | |
| <u>\$ 961</u> | <u>\$ 341</u> | <u>\$ 35,645</u> | <u>\$ 413</u> | <u>\$ 23,828</u> | <u>\$ 14,989</u> |

(Continued)

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

| | Pre-K Initiative (27149) | Breakfast for Elementary Students (27155) | Kindergarten - Three Plus (27166) |
|---|-----------------------------|--|---|
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$ | \$ 2,450 | \$ |
| Accounts receivable | | | |
| Due from governmental entities | 48,599 | | 88,586 |
| Total assets | \$ 48,599 | \$ 2,450 | \$ 88,586 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts payable | \$ | \$ | \$ |
| Due to other funds | 48,599 | | 88,586 |
| Unearned revenues | | 2,450 | |
| Total liabilities | 48,599 | 2,450 | 88,586 |
| Fund balances: | | | |
| Restricted | | | |
| Total fund balances | | | |
| Total liabilities and fund balances | \$ 48,599 | \$ 2,450 | \$ 88,586 |

| Libraries - SB 301 G.O. Bonds -Laws of 2006 (27170) | Private Direct Grants (Categorical) (29102) | Teen Pregnancy (29103) | Totals |
|--|--|---------------------------|-------------------|
| \$ | \$ 1,679 | \$ | \$ 32,660 |
| | | 5,506 | 5,506 |
| 17,236 | | | 376,079 |
| <u>\$ 17,236</u> | <u>\$ 1,679</u> | <u>\$ 5,506</u> | <u>\$ 414,245</u> |
| | | | |
| \$ | \$ | \$ | \$ 203 |
| 17,236 | | 5,506 | 361,976 |
| | 1,679 | | 4,542 |
| <u>17,236</u> | <u>1,679</u> | <u>5,506</u> | <u>366,721</u> |
| | | | |
| | | | 47,524 |
| | | | <u>47,524</u> |
| <u>\$ 17,236</u> | <u>\$ 1,679</u> | <u>\$ 5,506</u> | <u>\$ 414,245</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015**

| | Athletics (22000) | Non- Instructional Support (23000) | Scoreboard Donations (23010) |
|---|----------------------|--|------------------------------------|
| Revenues: | | | |
| Charges for services | \$ 49,702 | \$ | \$ |
| Interest | 11 | | |
| Miscellaneous | | | |
| State grants | | | |
| Federal grants | | | |
| Total revenues | 49,713 | | |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 44,110 | 4,092 | |
| Support services-students | | | |
| Support services-instruction | | | |
| Support services-general administration | | | |
| Support services-school administration | | | |
| Central services | | | |
| Operation and maintenance of plant | | | |
| Student transportation | | | |
| Food service operations | | | |
| Total expenditures | 44,110 | 4,092 | |
| Changes in fund balances | 5,603 | (4,092) | |
| Fund balances, beginning of year | 6,076 | 4,092 | 200 |
| Fund balances, end of year | \$ 11,679 | \$ | \$ 200 |

| <u>Admin. Polo Shirt Donations (23015)</u> | <u>IDEA-B Preschool (24109)</u> | <u>Education of Homeless (24113)</u> | <u>Fresh Fruit and Vegetables (24118)</u> | <u>IDEA-B Risk Pool (24120)</u> | <u>English Language Acquisition (24153)</u> |
|--|---|--|---|-------------------------------------|---|
| \$ | \$ | \$ | \$ | \$ | \$ |
| | 11,326 | 209 | 28,091 | 331 | 27,265 |
| | <u>11,326</u> | <u>209</u> | <u>28,091</u> | <u>331</u> | <u>27,265</u> |
| | 10,908 | | | | 24,632 |
| | | 209 | | 331 | 203 |
| 340 | 418 | | | | 364 |
| | | | | | 2,066 |
| | | | 28,091 | | |
| <u>340</u> | <u>11,326</u> | <u>209</u> | <u>28,091</u> | <u>331</u> | <u>27,265</u> |
| <u>(340)</u> | | | | | |
| 340 | | | | | |
| <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |

(Continued)

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015**

| | Teacher/Princip al Training and Recruiting (24154) | Rural and Low- Income Schools (24160) | Youth Resiliency Project (24186) |
|---|---|---|--|
| | <u> </u> | <u> </u> | <u> </u> |
| Revenues: | | | |
| Charges for services | \$ | \$ | \$ |
| Interest | | | |
| Miscellaneous | | | |
| State grants | | | |
| Federal grants | 107,410 | 30,340 | 2,444 |
| Total revenues | <u>107,410</u> | <u>30,340</u> | <u>2,444</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 101,990 | 29,221 | 2,444 |
| Support services-students | | | |
| Support services-instruction | | | |
| Support services-general administration | 3,099 | 1,119 | |
| Support services-school administration | 1,321 | | |
| Central services | 1,000 | | |
| Operation and maintenance of plant | | | |
| Student transportation | | | |
| Food service operations | | | |
| Total expenditures | <u>107,410</u> | <u>30,340</u> | <u>2,444</u> |
| Changes in fund balances | <u> </u> | <u> </u> | <u> </u> |
| Fund balances, beginning of year | | | |
| Fund balances, end of year | <u>\$</u> | <u>\$</u> | <u>\$</u> |

| <u>Head Start (25127)</u> | <u>Title XIX Medicaid 3/21 Years (25153)</u> | <u>Carol M. White Physical Fitness (25241)</u> | <u>State Equalization Guarantee - Federal Stimulus (25250)</u> | <u>New Mexico Community Foundation (26176)</u> | <u>Dual Credit Instructional Materials HB-2 Laws of 2009 (27103)</u> |
|-------------------------------|--|--|--|--|--|
| \$ | \$ | \$ | \$ | \$ | \$ |
| | | | | 50 | 2,548 |
| <u>1,647,990</u> | <u>104,209</u> | <u>30</u> | <u>49</u> | <u>50</u> | <u>2,548</u> |
| <u>1,647,990</u> | <u>104,209</u> | <u>30</u> | <u>49</u> | <u>50</u> | <u>2,548</u> |
| 837,664 | | 30 | 49 | 50 | 2,548 |
| 540,627 | 137,112 | | | | |
| 2,590 | | | | | |
| 153,377 | | | | | |
| 97,254 | | | | | |
| 2,478 | | | | | |
| 14,000 | | | | | |
| <u>1,647,990</u> | <u>137,112</u> | <u>30</u> | <u>49</u> | <u>50</u> | <u>2,548</u> |
| | <u>(32,903)</u> | | | | |
| | 68,548 | | | | |
| <u>\$</u> | <u>\$ 35,645</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |

(Continued)

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015**

| | Literacy for Children at Risk (27107) | New Mexico Reads to Lead K -3 Reading Initiative (27114) | Pre-K Initiative (27149) |
|---|---|--|-----------------------------|
| Revenues: | | | |
| Charges for services | \$ | \$ | \$ |
| Interest | | | |
| Miscellaneous | | | |
| State grants | 23,828 | 97,468 | 213,036 |
| Federal grants | | | |
| Total revenues | <u>23,828</u> | <u>97,468</u> | <u>213,036</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | | 96,493 | 209,736 |
| Support services-students | | | |
| Support services-instruction | 23,828 | | |
| Support services-general administration | | 975 | 3,300 |
| Support services-school administration | | | |
| Central services | | | |
| Operation and maintenance of plant | | | |
| Student transportation | | | |
| Food service operations | | | |
| Total expenditures | <u>23,828</u> | <u>97,468</u> | <u>213,036</u> |
| Changes in fund balances | | | |
| Fund balances, beginning of year | | | |
| Fund balances, end of year | <u>\$</u> | <u>\$</u> | <u>\$</u> |

| Breakfast for Elementary Students (27155) | Kindergarten - Three Plus (27166) | Community Health Prom DOH (28149) | Private Direct Grants (Categorical) (29102) | Teen Pregnancy (29103) | Totals |
|--|---|---|--|---------------------------|------------------|
| \$ | \$ | \$ | \$ | \$ | \$ |
| | | | 2,971 | 33,893 | 49,702 |
| 1,751 | 241,458 | 298 | | | 11 |
| | | | | | 36,864 |
| | | | | | 580,437 |
| | | | | | 1,959,694 |
| <u>1,751</u> | <u>241,458</u> | <u>298</u> | <u>2,971</u> | <u>33,893</u> | <u>2,626,708</u> |
| | | | | | |
| | 212,896 | | 2,522 | 30,812 | 1,610,197 |
| | | 298 | 449 | 3,081 | 682,310 |
| | | | | | 23,828 |
| | | | | | 12,205 |
| | 27,775 | | | | 184,539 |
| | | | | | 1,000 |
| | | | | | 97,254 |
| | | | | | 2,478 |
| | | | | | 44,629 |
| <u>1,751</u> | <u>787</u> | | | | |
| <u>1,751</u> | <u>241,458</u> | <u>298</u> | <u>2,971</u> | <u>33,893</u> | <u>2,658,440</u> |
| | | | | | |
| | | | | | (31,732) |
| | | | | | |
| | | | | | 79,256 |
| <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| | | | | | 47,524 |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ATHLETICS (22000)
YEAR ENDED JUNE 30, 2015**

| | <u>Original & Final Budgeted Amounts</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive</u> |
|--|--|----------------------------|--|
| Revenues: | | | |
| Charges for services | \$ 45,000 | \$ 49,702 | \$ 4,702 |
| Interest | | 11 | 11 |
| Total revenues | <u>45,000</u> | <u>49,713</u> | <u>4,713</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 47,650 | 45,264 | 2,386 |
| Total expenditures | <u>47,650</u> | <u>45,264</u> | <u>2,386</u> |
| Changes in fund balances | <u>(2,650)</u> | <u>4,449</u> | <u>7,099</u> |
| Fund balances, beginning of year | | 7,230 | 7,230 |
| Fund balances (deficits), end of year | <u>\$ (2,650)</u> | <u>\$ 11,679</u> | <u>\$ 14,329</u> |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ | |
| Expenditure accruals | | 1,154 | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | <u>\$ 5,603</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-INSTRUCTIONAL SUPPORT (23000)
YEAR ENDED JUNE 30, 2015

| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|----------------|---|
| | <u>Budgeted Amounts</u> | | | |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | \$ | \$ 4,292 | \$ 4,092 | \$ 200 |
| Support services-students | 4,092 | | | |
| Total expenditures | <u>4,092</u> | <u>4,292</u> | <u>4,092</u> | <u>200</u> |
| Changes in fund balances | <u>(4,092)</u> | <u>(4,292)</u> | <u>(4,092)</u> | <u>200</u> |
| Fund balances, beginning of year | | | 4,092 | 4,092 |
| Fund balances (deficits), end of year | <u>\$ (4,092)</u> | <u>\$ (4,292)</u> | <u>\$</u> | <u>\$ 4,292</u> |

**STATE OF NEW MEXICO
 WEST LAS VEGAS SCHOOL DISTRICT NO. 2
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SCOREBOARD DONATIONS (23010)
 YEAR ENDED JUNE 30, 2015**

| | <u>Original & Final Budgeted Amounts</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|--|---------------|---|
| Changes in fund balances | | | |
| Fund balances, beginning of year | | 200 | 200 |
| Fund balances, end of year | <u>\$</u> | <u>\$ 200</u> | <u>\$ 200</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ADMIN. POLO SHIRT DONATIONS (23015)
YEAR ENDED JUNE 30, 2015**

| | <u>Original & Final Budgeted Amounts</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|--|---------------|---|
| Expenditures: | | | |
| Current - | | | |
| Support services-general administration | \$ | \$ 340 | \$ (340) |
| Total expenditures | <u> </u> | <u>340</u> | <u>(340)</u> |
| Changes in fund balances | <u> </u> | <u>(340)</u> | <u>(340)</u> |
| Fund balances, beginning of year | <u> </u> | <u>340</u> | <u>340</u> |
| Fund balances, end of year | <u>\$</u> | <u>\$</u> | <u>\$</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
IDEA-B DISCRETIONARY (24107)
YEAR ENDED JUNE 30, 2015**

| | <u>Original & Final Budgeted Amounts</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--|----------------------------|---|
| Changes in fund balances | | | |
| Fund balances (deficits), beginning of year | | (6,134) | (6,134) |
| Fund balances (deficits), end of year | \$ | \$ (6,134) | \$ (6,134) |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ | |
| Expenditure accruals | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
IDEA-B PRESCHOOL (24109)
YEAR ENDED JUNE 30, 2015**

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-----------------------------|-----------------------------|-----------------------------|---|
| | <u>Budgeted Amounts</u> | | | |
| Revenues: | | | | |
| Federal grants | \$ | \$ 11,412 | \$ 13,026 | \$ 1,614 |
| Total revenues | <u> </u> | <u>11,412</u> | <u>13,026</u> | <u>1,614</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 9,578 | 10,919 | 10,908 | 11 |
| Support services-general administration | 493 | 493 | 418 | 75 |
| Total expenditures | <u>10,071</u> | <u>11,412</u> | <u>11,326</u> | <u>86</u> |
| Changes in fund balances | <u>(10,071)</u> | <u> </u> | <u>1,700</u> | <u>1,700</u> |
| Fund balances (deficits), beginning of year | | | (2,621) | (2,621) |
| Fund balances (deficits), end of year | <u>\$ (10,071)</u> | <u>\$</u> | <u>\$ (921)</u> | <u>\$ (921)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (1,700) | |
| Expenditure accruals | | | <u> </u> | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
EDUCATION OF HOMELESS (24113)
YEAR ENDED JUNE 30, 2015**

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> | <u>Variance with</u> |
|--|-------------------------|--------------|-----------------|----------------------|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| Federal grants | \$ | 210 | \$ 7,333 | \$ 7,123 |
| Total revenues | | <u>210</u> | <u>7,333</u> | <u>7,123</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Support services-students | | 210 | 209 | 1 |
| Total expenditures | | <u>210</u> | <u>209</u> | <u>1</u> |
| Changes in fund balances | | | <u>7,124</u> | <u>7,124</u> |
| Fund balances (deficits), beginning of year | | | (7,124) | (7,124) |
| Fund balances, end of year | \$ | \$ | \$ | \$ |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (7,124) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources | | | | |
| (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FRESH FRUIT AND VEGETABLES (24118)
YEAR ENDED JUNE 30, 2015**

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> | <u>Variance with</u> |
|--|-------------------------|---------------|-------------------|----------------------|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| Federal grants | \$ | \$ 30,756 | \$ 25,289 | \$ (5,467) |
| Total revenues | | <u>30,756</u> | <u>25,289</u> | <u>(5,467)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Food service operations | | 30,756 | 28,091 | 2,665 |
| Total expenditures | | <u>30,756</u> | <u>28,091</u> | <u>2,665</u> |
| Changes in fund balances | | | <u>(2,802)</u> | <u>(2,802)</u> |
| Fund balances, beginning of year | | | 953 | 953 |
| Fund balances (deficits), end of year | <u>\$</u> | <u>\$</u> | <u>\$ (1,849)</u> | <u>\$ (1,849)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ 2,802 | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources | | | | |
| (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
21ST CENTURY PROGRAM (24119)
YEAR ENDED JUNE 30, 2015**

| | Original | Final | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------------|--------------------|---|
| | Budgeted Amounts | | | |
| Revenues: | | | | |
| Federal grants | \$ | \$ 175,037 | \$ 9,798 | \$ (165,239) |
| Total revenues | | <u>175,037</u> | <u>9,798</u> | <u>(165,239)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | | 139,461 | | 139,461 |
| Support services-school administration | | 31,776 | | 31,776 |
| Central services | | 1,800 | | 1,800 |
| Student transportation | | 2,000 | | 2,000 |
| Total expenditures | | <u>175,037</u> | | <u>175,037</u> |
| Changes in fund balances | | | <u>9,798</u> | <u>9,798</u> |
| Fund balances (deficits), beginning of year | | | (54,836) | (54,836) |
| Fund balances (deficits), end of year | \$ | \$ | \$ (45,038) | \$ (45,038) |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (9,798) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
IDEA-B RISK POOL (24120)
YEAR ENDED JUNE 30, 2015

| | Original | Final | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------|--------------------|---|
| | Budgeted Amounts | | | |
| Revenues: | | | | |
| Federal grants | \$ | 351 | \$ 2,804 | \$ 2,453 |
| Total revenues | | <u>351</u> | <u>2,804</u> | <u>2,453</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Support services-students | | 351 | 331 | 20 |
| Total expenditures | | <u>351</u> | <u>331</u> | <u>20</u> |
| Changes in fund balances | | | <u>2,473</u> | <u>2,473</u> |
| Fund balances (deficits), beginning of year | | | (2,804) | (2,804) |
| Fund balances (deficits), end of year | \$ | \$ | <u>\$ (331)</u> | <u>\$ (331)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (2,473) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ELL TITLE III INCENTIVE AWARDS (24143)
YEAR ENDED JUNE 30, 2015**

| | <u>Original & Final Budgeted Amounts</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--|----------------------------|---|
| Changes in fund balances | | | |
| Fund balances (deficits), beginning of year | | (8,666) | (8,666) |
| Fund balances (deficits), end of year | \$ | \$ (8,666) | \$ (8,666) |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ | |
| Expenditure accruals | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ENGLISH LANGUAGE ACQUISITION (24153)
YEAR ENDED JUNE 30, 2015**

| | Original | Final | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|---------------|--------------------|---|
| | Budgeted Amounts | | | |
| Revenues: | | | | |
| Federal grants | \$ | \$ 38,048 | \$ 29,712 | \$ (8,336) |
| Total revenues | | <u>38,048</u> | <u>29,712</u> | <u>(8,336)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 24,761 | 31,267 | 27,547 | 3,720 |
| Support services-general administration | 495 | 531 | 364 | 167 |
| Support services-school administration | | <u>6,250</u> | <u>2,066</u> | <u>4,184</u> |
| Total expenditures | <u>25,256</u> | <u>38,048</u> | <u>29,977</u> | <u>8,071</u> |
| Changes in fund balances | <u>(25,256)</u> | | <u>(265)</u> | <u>(265)</u> |
| Fund balances (deficits), beginning of year | | | (7,794) | (7,794) |
| Fund balances (deficits), end of year | <u>\$ (25,256)</u> | <u>\$</u> | <u>\$ (8,059)</u> | <u>\$ (8,059)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (2,447) | |
| Expenditure accruals | | | <u>2,712</u> | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TEACHER/PRINCIPAL TRAINING AND RECRUITING (24154)
YEAR ENDED JUNE 30, 2015

| | Original | Final | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|----------------|--------------------|---|
| | Budgeted Amounts | | | |
| Revenues: | | | | |
| Federal grants | \$ | \$ 125,182 | \$ 147,519 | \$ 22,337 |
| Total revenues | | <u>125,182</u> | <u>147,519</u> | <u>22,337</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 67,427 | 113,800 | 107,630 | 6,170 |
| Support services-general administration | 2,725 | 4,795 | 3,099 | 1,696 |
| Support services-school administration | | 5,587 | 1,321 | 4,266 |
| Central services | 1,000 | 1,000 | 1,000 | |
| Total expenditures | <u>71,152</u> | <u>125,182</u> | <u>113,050</u> | <u>12,132</u> |
| Changes in fund balances | <u>(71,152)</u> | | <u>34,469</u> | <u>34,469</u> |
| Fund balances (deficits), beginning of year | | | (95,805) | (95,805) |
| Fund balances (deficits), end of year | <u>\$ (71,152)</u> | <u>\$</u> | <u>\$ (61,336)</u> | <u>\$ (61,336)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (40,109) | |
| Expenditure accruals | | | <u>5,640</u> | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TITLE IV-A SAFE & DRUG FREE SCHOOLS & COMMUNITY (24157)
YEAR ENDED JUNE 30, 2015**

| | <u>Original & Final Budgeted</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--|-----------------------------|---|
| Changes in fund balances | | | |
| Fund balances (deficits), beginning of year | | (10,588) | (10,588) |
| Fund balances (deficits), end of year | <u>\$</u> | <u>\$ (10,588)</u> | <u>\$ (10,588)</u> |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ | |
| Expenditure accruals | | <u> </u> | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
21ST CENTURY COMMUNITY LEARNING CENTERS (24159)
YEAR ENDED JUNE 30, 2015**

| | <u>Original & Final Budgeted Amounts</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--|----------------------------|---|
| Changes in fund balances | | | |
| Fund balances (deficits), beginning of year | | (19,008) | (19,008) |
| Fund balances (deficits), end of year | \$ | \$ (19,008) | \$ (19,008) |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ | |
| Expenditure accruals | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RURAL AND LOW-INCOME SCHOOLS (24160)
YEAR ENDED JUNE 30, 2015**

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------|----------------------------|---|
| | <u>Budgeted Amounts</u> | | | |
| Revenues: | | | | |
| Federal grants | \$ | \$ 30,407 | \$ 62,058 | \$ 31,651 |
| Total revenues | | <u>30,407</u> | <u>62,058</u> | <u>31,651</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 29,770 | 29,221 | 29,221 | |
| Support services-general administration | 1,186 | 1,186 | 1,119 | 67 |
| Total expenditures | <u>30,956</u> | <u>30,407</u> | <u>30,340</u> | <u>67</u> |
| Changes in fund balances | <u>(30,956)</u> | | <u>31,718</u> | <u>31,718</u> |
| Fund balances (deficits), beginning of year | | | (32,679) | (32,679) |
| Fund balances (deficits), end of year | <u>\$ (30,956)</u> | <u>\$</u> | <u>\$ (961)</u> | <u>\$ (961)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (31,718) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TITLE I SCHOOL IMPROVEMENT (24162)
YEAR ENDED JUNE 30, 2015**

| | <u>Original & Final Budgeted Amounts</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--|----------------------------|---|
| Revenues: | | | |
| Federal grants | \$ | \$ 5,038 | \$ 5,038 |
| Total revenues | | <u>5,038</u> | <u>5,038</u> |
| Changes in fund balances | | <u>5,038</u> | <u>5,038</u> |
| Fund balances (deficits), beginning of year | | (5,038) | (5,038) |
| Fund balances, end of year | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ (5,038) | |
| Expenditure accruals | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
YOUTH RESILIENCY PROJECT (24186)
YEAR ENDED JUNE 30, 2015**

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> | <u>Variance with</u> |
|--|-------------------------|--------------|-----------------|----------------------|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| Federal grants | \$ | 5,000 | 2,103 | (2,897) |
| Total revenues | | <u>5,000</u> | <u>2,103</u> | <u>(2,897)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | | 2,500 | 2,444 | 56 |
| Support services-students | | 1,010 | | 1,010 |
| Student transportation | | 490 | | 490 |
| Community service operations | | 1,000 | | 1,000 |
| Total expenditures | | <u>5,000</u> | <u>2,444</u> | <u>2,556</u> |
| Changes in fund balances | | | <u>(341)</u> | <u>(341)</u> |
| Fund balances, beginning of year | | | | |
| Fund balances (deficits), end of year | \$ | \$ | \$ (341) | \$ (341) |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | 341 | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources | | | | |
| (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HEAD START (25127)
YEAR ENDED JUNE 30, 2015**

| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Budgeted Amounts</u> | | | |
| Revenues: | | | | |
| Federal grants | \$ | \$ 1,647,990 | \$ 1,647,990 | \$ |
| Total revenues | | <u>1,647,990</u> | <u>1,647,990</u> | |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 819,758 | 837,664 | 837,664 | |
| Support services-students | 545,847 | 540,627 | 540,627 | |
| Support services-general administration | 15,000 | 2,590 | 2,590 | |
| Support services-school administration | 169,775 | 153,377 | 153,377 | |
| Operation and maintenance of plant | 79,610 | 97,254 | 97,254 | |
| Student transportation | 4,000 | 2,478 | 2,478 | |
| Food service operations | 14,000 | 14,000 | 14,000 | |
| Total expenditures | <u>1,647,990</u> | <u>1,647,990</u> | <u>1,647,990</u> | |
| Changes in fund balances | <u>(1,647,990)</u> | | | |
| Fund balances, beginning of year | | | | |
| Fund balances (deficits), end of year | <u>\$ (1,647,990)</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TITLE XIX MEDICAID 3/21 YEARS (25153)
YEAR ENDED JUNE 30, 2015**

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------------|----------------------------|---|
| | <u>Budgeted Amounts</u> | | | |
| Revenues: | | | | |
| Federal grants | \$ 120,000 | \$ 120,000 | \$ 105,726 | \$ (14,274) |
| Total revenues | <u>120,000</u> | <u>120,000</u> | <u>105,726</u> | <u>(14,274)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Support services-students | 171,766 | 167,615 | 137,112 | 30,503 |
| Total expenditures | <u>171,766</u> | <u>167,615</u> | <u>137,112</u> | <u>30,503</u> |
| Changes in fund balances | <u>(51,766)</u> | <u>(47,615)</u> | <u>(31,386)</u> | <u>16,229</u> |
| Fund balances, beginning of year | | | 47,625 | 47,625 |
| Fund balances (deficits), end of year | <u>\$ (51,766)</u> | <u>\$ (47,615)</u> | <u>\$ 16,239</u> | <u>\$ 63,854</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (1,517) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$ (32,903)</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAROL M. WHITE PHYSICAL FITNESS (25241)
YEAR ENDED JUNE 30, 2015

| | Original | Final | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------------------|---------------------------------|---------------------------------|---|
| | Budgeted Amounts | | | |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | \$ | 30 | \$ 30 | \$ |
| Total expenditures | <u> </u> | <u> 30</u> | <u> 30</u> | <u> </u> |
| Changes in fund balances | <u> </u> | <u> (30)</u> | <u> (30)</u> | <u> </u> |
| Fund balances, beginning of year | | | 30 | 30 |
| Fund balances (deficits), end of year | <u> </u> | <u> (30)</u> | <u> </u> | <u> 30</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ 30 | |
| Expenditure accruals | | | <u> </u> | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u> </u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STATE EQUALIZATION GUARANTEE - FEDERAL STIMULUS (25250)
YEAR ENDED JUNE 30, 2015

| | Original | Final | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|---------|--------------------|---|
| | Budgeted Amounts | | | |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | \$ | 49 | \$ 49 | \$ |
| Total expenditures | | 49 | 49 | |
| Changes in fund balances | | (49) | (49) | |
| Fund balances, beginning of year | | | 49 | 49 |
| Fund balances (deficits), end of year | \$ | \$ (49) | \$ | \$ 49 |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ 49 | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NEW MEXICO COMMUNITY FOUNDATION (26176)
YEAR ENDED JUNE 30, 2015**

| | <u>Original & Final Budgeted Amounts</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--|----------------------------|---|
| Expenditures: | | | |
| Current - | | | |
| Instruction | \$ 463 | \$ 50 | \$ 413 |
| Total expenditures | <u>463</u> | <u>50</u> | <u>413</u> |
| Changes in fund balances | <u>(463)</u> | <u>(50)</u> | <u>413</u> |
| Fund balances, beginning of year | | 463 | 463 |
| Fund balances (deficits), end of year | <u>\$ (463)</u> | <u>\$ 413</u> | <u>\$ 876</u> |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ 50 | |
| Expenditure accruals | | <u> </u> | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | <u><u>\$</u></u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DUAL CREDIT INSTRUCTIONAL MATERIALS HB-2 LAWS OF 2009 (27103)
YEAR ENDED JUNE 30, 2015

| | Original | Final | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------|--------------|---|
| | Budgeted Amounts | | | |
| Revenues: | | | | |
| State grants | \$ | 3,222 | \$ 2,548 | \$ (674) |
| Total revenues | | <u>3,222</u> | <u>2,548</u> | <u>(674)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | | 3,222 | 2,548 | 674 |
| Total expenditures | | <u>3,222</u> | <u>2,548</u> | <u>674</u> |
| Changes in fund balances | | | | |
| Fund balances, beginning of year | | | | |
| Fund balances, end of year | \$ | \$ | \$ | \$ |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LITERACY FOR CHILDREN AT RISK (27107)
YEAR ENDED JUNE 30, 2015**

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> | <u>Variance with</u> |
|--|-------------------------|---------------|--------------------|----------------------|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| State grants | \$ 28,906 | \$ 28,906 | \$ | \$ (28,906) |
| Total revenues | <u>28,906</u> | <u>28,906</u> | <u></u> | <u>(28,906)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 28,906 | | | |
| Support services-instruction | | 28,906 | 23,828 | 5,078 |
| Total expenditures | <u>28,906</u> | <u>28,906</u> | <u>23,828</u> | <u>5,078</u> |
| Changes in fund balances | | | <u>(23,828)</u> | <u>(23,828)</u> |
| Fund balances, beginning of year | | | | |
| Fund balances (deficits), end of year | <u>\$</u> | <u>\$</u> | <u>\$ (23,828)</u> | <u>\$ (23,828)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ 23,828 | |
| Expenditure accruals | | | <u></u> | |
| Excess (deficiency) of revenues and other sources | | | <u>\$</u> | |
| (uses) over expenditures (GAAP Basis) | | | <u><u></u></u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NEW MEXICO READS TO LEAD K-3 READING INITIATIVE (27114)
YEAR ENDED JUNE 30, 2015**

| | Original | Final | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|---------------|--------------------|---|
| | Budgeted Amounts | | | |
| Revenues: | | | | |
| State grants | \$ | \$ 97,500 | \$ 86,479 | \$ (11,021) |
| Total revenues | | <u>97,500</u> | <u>86,479</u> | <u>(11,021)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 96,525 | 96,525 | 96,493 | 32 |
| Support services-general administration | <u>975</u> | <u>975</u> | <u>975</u> | |
| Total expenditures | <u>97,500</u> | <u>97,500</u> | <u>97,468</u> | <u>32</u> |
| Changes in fund balances | <u>(97,500)</u> | | <u>(10,989)</u> | <u>(10,989)</u> |
| Fund balances (deficits), beginning of year | | | (4,000) | (4,000) |
| Fund balances (deficits), end of year | <u>\$ (97,500)</u> | <u>\$</u> | <u>\$ (14,989)</u> | <u>\$ (14,989)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ 10,989 | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PRE-K INITIATIVE (27149)
YEAR ENDED JUNE 30, 2015**

| | Original | Final | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|----------------|--------------------|---|
| | Budgeted Amounts | | | |
| Revenues: | | | | |
| State grants | \$ | \$ 330,000 | \$ 185,209 | \$ (144,791) |
| Total revenues | | <u>330,000</u> | <u>185,209</u> | <u>(144,791)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 326,700 | 326,700 | 209,736 | 116,964 |
| Support services-general administration | <u>3,300</u> | <u>3,300</u> | <u>3,300</u> | |
| Total expenditures | <u>330,000</u> | <u>330,000</u> | <u>213,036</u> | <u>116,964</u> |
| Changes in fund balances | <u>(330,000)</u> | | <u>(27,827)</u> | <u>(27,827)</u> |
| Fund balances (deficits), beginning of year | | | (20,772) | (20,772) |
| Fund balances (deficits), end of year | <u>\$ (330,000)</u> | <u>\$</u> | <u>\$ (48,599)</u> | <u>\$ (48,599)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ 27,827 | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BREAKFAST FOR ELEMENTARY STUDENTS (27155)
YEAR ENDED JUNE 30, 2015**

| | Original | Final | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|--------------------|---|
| | Budgeted Amounts | | | |
| Revenues: | | | | |
| State grants | \$ | \$ 46,613 | \$ 8,016 | \$ (38,597) |
| Total revenues | | 46,613 | 8,016 | (38,597) |
| Expenditures: | | | | |
| Current - | | | | |
| Food service operations | | 46,613 | 1,751 | 44,862 |
| Total expenditures | | 46,613 | 1,751 | 44,862 |
| Changes in fund balances | | | 6,265 | 6,265 |
| Fund balances (deficits), beginning of year | | | (3,815) | (3,815) |
| Fund balances, end of year | \$ | \$ | \$ 2,450 | \$ 2,450 |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (6,265) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
KINDERGARTEN - THREE PLUS (27166)
YEAR ENDED JUNE 30, 2015**

| | Original | Final | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|---------|--------------------|---|
| | Budgeted Amounts | | | |
| Revenues: | | | | |
| State grants | \$ | 251,039 | \$ 155,784 | \$ (95,255) |
| Total revenues | | 251,039 | 155,784 | (95,255) |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 90,572 | 222,159 | 212,896 | 9,263 |
| Support services-school administration | 8,677 | 28,028 | 27,775 | 253 |
| Food service operations | | 852 | 787 | 65 |
| Total expenditures | 99,249 | 251,039 | 241,458 | 9,581 |
| Changes in fund balances | (99,249) | | (85,674) | (85,674) |
| Fund balances (deficits), beginning of year | | | (2,912) | (2,912) |
| Fund balances (deficits), end of year | \$ (99,249) | \$ | \$ (88,586) | \$ (88,586) |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ 85,674 | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | \$ | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LIBRARIES - SB 301 GO BONDS-LAWS OF 2006 (27170)
YEAR ENDED JUNE 30, 2015**

| | <u>Original & Final Budgeted Amounts</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--|----------------------------|---|
| Changes in fund balances | | | |
| Fund balances (deficits), beginning of year | | (17,236) | (17,236) |
| Fund balances (deficits), end of year | \$ | \$ (17,236) | \$ (17,236) |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ | |
| Expenditure accruals | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NEXT GENERATION ASSESSMENTS (27185)
YEAR ENDED JUNE 30, 2015**

| | <u>Original & Final Budgeted Amounts</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--|-----------------------------|---|
| Revenues: | | | |
| State grants | \$ | \$ 4,790 | \$ 4,790 |
| Total revenues | <u> </u> | <u>4,790</u> | <u>4,790</u> |
| Changes in fund balances | <u> </u> | <u>4,790</u> | <u>4,790</u> |
| Fund balances (deficits), beginning of year | <u> </u> | <u>(4,790)</u> | <u>(4,790)</u> |
| Fund balances, end of year | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ (4,790) | |
| Expenditure accruals | | <u> </u> | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | <u>\$</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY HEALTH PROM DOH (28149)
YEAR ENDED JUNE 30, 2015

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> <u>Actual</u> | <u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u> |
|--|-----------------------------|----------------------------------|----------------------------------|---|
| | <u>Budgeted Amounts</u> | | | |
| Expenditures: | | | | |
| Current - | | | | |
| Support services-students | \$ | \$ 298 | \$ 298 | \$ |
| Total expenditures | <u> </u> | <u> 298</u> | <u> 298</u> | <u> </u> |
| Changes in fund balances | <u> </u> | <u> (298)</u> | <u> (298)</u> | <u> </u> |
| Fund balances, beginning of year | | | 298 | 298 |
| Fund balances (deficits), end of year | <u>\$</u> | <u>\$ (298)</u> | <u>\$</u> | <u>\$ 298</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ 298 | |
| Expenditure accruals | | | <u> </u> | |
| Excess (deficiency) of revenues and other sources | | | | |
| (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PRIVATE DIRECT GRANTS (CATEGORICAL) (29102)
YEAR ENDED JUNE 30, 2015**

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------|----------------------------|---|
| | <u>Budgeted Amounts</u> | | | |
| Revenues: | | | | |
| Miscellaneous | \$ 1,000 | \$ 4,650 | \$ 3,650 | \$ (1,000) |
| Total revenues | <u>1,000</u> | <u>4,650</u> | <u>3,650</u> | <u>(1,000)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 1,000 | 4,400 | 2,522 | 1,878 |
| Support services-students | 200 | 450 | 449 | 1 |
| Total expenditures | <u>1,200</u> | <u>4,850</u> | <u>2,971</u> | <u>1,879</u> |
| Changes in fund balances | <u>(200)</u> | <u>(200)</u> | <u>679</u> | <u>879</u> |
| Fund balances, beginning of year | | | 1,000 | 1,000 |
| Fund balances (deficits), end of year | <u>\$ (200)</u> | <u>\$ (200)</u> | <u>\$ 1,679</u> | <u>\$ 1,879</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (679) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TEEN PREGNANCY (29103)
YEAR ENDED JUNE 30, 2015**

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> | <u>Variance with</u> |
|--|-------------------------|---------------|-------------------|----------------------|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| Miscellaneous | \$ | 50,000 | \$ 39,573 | \$ (10,427) |
| Total revenues | | <u>50,000</u> | <u>39,573</u> | <u>(10,427)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | | 45,019 | 30,812 | 14,207 |
| Support services-students | | 4,981 | 3,081 | 1,900 |
| Total expenditures | | <u>50,000</u> | <u>33,893</u> | <u>16,107</u> |
| Changes in fund balances | | | <u>5,680</u> | <u>5,680</u> |
| Fund balances (deficits), beginning of year | | | (11,186) | (11,186) |
| Fund balances (deficits), end of year | \$ | \$ | <u>\$ (5,506)</u> | <u>\$ (5,506)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (5,680) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources | | | | |
| (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

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CAPITAL PROJECT FUNDS

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

Bond Building Fund (31100) – To account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

Public School Capital Outlay (31200) – To account for assistance provided by the Public School Capital Outlay Council (PSCOC). The purpose of the Public School Capital Outlay Act is to ensure that, through a standards-based process for all school districts, the physical condition and capacity, educational suitability and technology infrastructure of all public school facilities in New Mexico meet an adequate level statewide and the design, construction and maintenance of school sites and facilities encourage, promote and maximize safe, functional and durable learning environments in order for the state to meet its educational responsibilities and for New Mexico's students to have the opportunity to achieve success. (Section 22-24.2 NMSA, 1978)

Special Capital Outlay State (31400) – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading the school facilities. (Ordinance #34, 7-1-91)

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

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**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015**

| | Special Capital Outlay - State (31400) | Capital Improvements SB-9 (31700) | Totals |
|---|--|---|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$ 52,585 | \$ | \$ 52,585 |
| Taxes receivable | | 4,723 | 4,723 |
| Due from governmental entities | | 134,999 | 134,999 |
| Total assets | <u>\$ 52,585</u> | <u>\$ 139,722</u> | <u>\$ 192,307</u> |
| | | | |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts payable | \$ 15,630 | \$ 33,567 | \$ 49,197 |
| Due to other funds | | 5,095 | 5,095 |
| Total liabilities | <u>15,630</u> | <u>38,662</u> | <u>54,292</u> |
| | | | |
| Fund balances: | | | |
| Restricted | 36,955 | 101,060 | 138,015 |
| Total fund balances | <u>36,955</u> | <u>101,060</u> | <u>138,015</u> |
| | | | |
| Total liabilities and fund balances | <u>\$ 52,585</u> | <u>\$ 139,722</u> | <u>\$ 192,307</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015**

| | Public School Capital Outlay (31200) | Special Capital Outlay - State (31400) | Capital Improvements SB-9 (31700) |
|---|--|--|---|
| Revenues: | | | |
| Property taxes | \$ | \$ | \$ 340,561 |
| State grants | 444,935 | 90,630 | 155,653 |
| Total revenues | <u>444,935</u> | <u>90,630</u> | <u>496,214</u> |
| Expenditures: | | | |
| Current - | | | |
| Support services-general administration | | | 3,358 |
| Capital outlay | 444,935 | 90,630 | 484,058 |
| Total expenditures | <u>444,935</u> | <u>90,630</u> | <u>487,416</u> |
| Changes in fund balances | <u> </u> | <u> </u> | <u>8,798</u> |
| Fund balances, beginning of year | | 36,955 | 92,262 |
| Fund balances, end of year | <u>\$</u> | <u>\$ 36,955</u> | <u>\$ 101,060</u> |

Totals

\$ 340,561
691,218
1,031,779

3,358
1,019,623
1,022,981

8,798

129,217

\$ 138,015

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BOND BUILDING (31100)
YEAR ENDED JUNE 30, 2015**

| | Original & Final Budgeted Amounts | Actual | Variance with Final Budget Positive (Negative) |
|--|---|---------------------|---|
| Revenues: | | | |
| Interest | \$ | \$ 3,255 | \$ 3,255 |
| Total revenues | | <u>3,255</u> | <u>3,255</u> |
| Expenditures: | | | |
| Capital outlay | 3,240,027 | 1,013,654 | 2,226,373 |
| Debt service - Bond issuance costs | | <u>32,435</u> | <u>(32,435)</u> |
| Total expenditures | <u>3,240,027</u> | <u>1,046,089</u> | <u>2,193,938</u> |
| Excess (deficiency) of revenues over expenditures | <u>(3,240,027)</u> | <u>(1,042,834)</u> | <u>2,197,193</u> |
| Other financing sources (uses): | | | |
| Issuance of school improvement bonds | 1,000,000 | 1,000,000 | |
| Premium on sale of bonds | | <u>8,329</u> | <u>8,329</u> |
| Total other financing sources (uses): | <u>1,000,000</u> | <u>1,008,329</u> | <u>8,329</u> |
| Changes in fund balances | <u>(2,240,027)</u> | <u>(34,505)</u> | <u>2,205,522</u> |
| Fund balances, beginning of year | | 2,419,569 | 2,419,569 |
| Fund balances (deficits), end of year | <u>\$ (2,240,027)</u> | <u>\$ 2,385,064</u> | <u>\$ 4,625,091</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL CAPITAL OUTLAY - STATE (31400)
YEAR ENDED JUNE 30, 2015**

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|----------------|----------------------------|---|
| | <u>Budgeted Amounts</u> | | | |
| Revenues: | | | | |
| State grants | \$ 151,507 | \$ 220,898 | \$ 90,630 | \$ (130,268) |
| Total revenues | <u>151,507</u> | <u>220,898</u> | <u>90,630</u> | <u>(130,268)</u> |
| Expenditures: | | | | |
| Capital outlay | 175,334 | 220,898 | 75,000 | 145,898 |
| Total expenditures | <u>175,334</u> | <u>220,898</u> | <u>75,000</u> | <u>145,898</u> |
| Changes in fund balances | <u>(23,827)</u> | | <u>15,630</u> | <u>15,630</u> |
| Fund balances, beginning of year | | | 36,955 | 36,955 |
| Fund balances (deficits), end of year | <u>\$ (23,827)</u> | <u>\$</u> | <u>\$ 52,585</u> | <u>\$ 52,585</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ | |
| Expenditure accruals | | | <u>(15,630)</u> | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS SB-9 (31700)
YEAR ENDED JUNE 30, 2015**

| | <u>Original & Final Budgeted Amounts</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--|----------------------------|---|
| Revenues: | | | |
| Property taxes | \$ 347,150 | \$ 339,741 | \$ (7,409) |
| State grants | 219,733 | 84,030 | (135,703) |
| Total revenues | <u>566,883</u> | <u>423,771</u> | <u>(143,112)</u> |
| Expenditures: | | | |
| Current - | | | |
| Support services-general administration | 3,535 | 3,397 | 138 |
| Capital outlay | <u>691,892</u> | <u>534,788</u> | <u>157,104</u> |
| Total expenditures | <u>695,427</u> | <u>538,185</u> | <u>157,242</u> |
| Changes in fund balances | <u>(128,544)</u> | <u>(114,414)</u> | <u>14,130</u> |
| Fund balances, beginning of year | | 109,319 | 109,319 |
| Fund balances (deficits), end of year | <u>\$ (128,544)</u> | <u>\$ (5,095)</u> | <u>\$ 123,449</u> |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ 72,443 | |
| Expenditure accruals | | <u>50,769</u> | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | <u>\$ 8,798</u> | |

DEBT SERVICE FUND

Debt Service Fund (41000) – To account for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs.

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE (41000)
YEAR ENDED JUNE 30, 2015**

| | Original | Final | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-----------------------|---------------------|---|
| | <u>Budgeted Amounts</u> | | | |
| Revenues: | | | | |
| Property taxes | \$ | \$ 1,645,716 | \$ 1,784,017 | \$ 138,301 |
| Interest | | 1,000 | 1,317 | 317 |
| Total revenues | | <u>1,646,716</u> | <u>1,785,334</u> | <u>138,618</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Support services-general administration | 16,456 | 16,456 | 17,840 | (1,384) |
| Debt service - | | | | |
| Miscellaneous expenses | 1,351,046 | 1,351,046 | | 1,351,046 |
| Principal retirement | 1,395,000 | 1,395,000 | 1,370,000 | 25,000 |
| Interest and fiscal charges | 250,716 | 250,716 | 241,413 | 9,303 |
| Total expenditures | <u>3,013,218</u> | <u>3,013,218</u> | <u>1,629,253</u> | <u>1,383,965</u> |
| Changes in fund balances | <u>(3,013,218)</u> | <u>(1,366,502)</u> | <u>156,081</u> | <u>1,522,583</u> |
| Fund balances, beginning of year | | | 1,625,321 | 1,625,321 |
| Fund balances (deficits), end of year | <u>\$ (3,013,218)</u> | <u>\$ (1,366,502)</u> | <u>\$ 1,781,402</u> | <u>\$ 3,147,904</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ 4,492 | |
| Expenditure accruals | | | <u>6,350</u> | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$ 166,923</u> | |

RIO GALLINAS CHARTER SCHOOL

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
RIO GALLINAS CHARTER SCHOOL
COMBINING BALANCE SHEET
JUNE 30, 2015

| | General | | Special Revenue |
|---|------------------------|---------------------------------------|-------------------------|
| | Operational (11000) | Instructional Materials (14000) | Food Service (21000) |
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$ 93,043 | \$ 3,083 | \$ 7,923 |
| Due from other funds | 38,789 | | |
| Due from governmental entities | | | |
| Total assets | \$ 131,832 | \$ 3,083 | \$ 7,923 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Accounts payable | \$ 4,374 | \$ | \$ 134 |
| Due to other funds | | | |
| Accrued payroll and employee benefits | 36,835 | | |
| Total liabilities | 41,209 | | 134 |
| Fund balances (deficits): | | | |
| Restricted | | 3,083 | 7,789 |
| Assigned | 90,623 | | |
| Total fund balances | 90,623 | 3,083 | 7,789 |
| Total liabilities and fund balances | \$ 131,832 | \$ 3,083 | \$ 7,923 |

Special Revenue

| Title XIX Medicaid 3/21 Years (25153) | 2012 G.O. Bonds Student Library SB-66 (27107) | New Mexico Reads to Lead K-3 Reading Initiative (27114) | Private Direct Grants (Categorical) (29102) |
|--|---|---|--|
| \$ 5,483 | \$ | \$ | \$ 300 |
| <u>5,363</u> | <u>3,044</u> | <u>13,561</u> | |
| <u>\$ 10,846</u> | <u>\$ 3,044</u> | <u>\$ 13,561</u> | <u>\$ 300</u> |
| | | | |
| \$ | \$ | \$ | \$ |
| | 3,044 | 10,553 | |
| | | 3,008 | |
| | <u>3,044</u> | <u>13,561</u> | |
| | | | |
| 10,846 | | | 300 |
| <u>10,846</u> | | | <u>300</u> |
| | | | |
| <u>\$ 10,846</u> | <u>\$ 3,044</u> | <u>\$ 13,561</u> | <u>\$ 300</u> |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
RIO GALLINAS CHARTER SCHOOL
COMBINING BALANCE SHEET
JUNE 30, 2015

| | Capital Projects | | |
|---|--|---|------------------------------|
| | Public School Capital Outlay (31200) | Capital Improvements SB-9 (31700) | All Governmental Funds |
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$ | \$ | \$ 109,832 |
| Due from other funds | | | 38,789 |
| Due from governmental entities | 14,987 | 10,205 | 47,160 |
| Total assets | \$ 14,987 | \$ 10,205 | \$ 195,781 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Accounts payable | \$ | \$ | \$ 4,508 |
| Due to other funds | 14,987 | 10,205 | 38,789 |
| Accrued payroll and employee benefits | | | 39,843 |
| Total liabilities | 14,987 | 10,205 | 83,140 |
| Fund balances (deficits): | | | |
| Restricted | | | 22,018 |
| Assigned | | | 90,623 |
| Total fund balances | | | 112,641 |
| Total liabilities and fund balances | \$ 14,987 | \$ 10,205 | \$ 195,781 |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
RIO GALLINAS CHARTER SCHOOL
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

| | | |
|---|--|------------|
| Total governmental fund balances | | \$ 112,641 |
|---|--|------------|

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

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

| | | |
|-------------------------------|------------------|--------|
| Governmental capital assets | 174,095 | |
| Less accumulated depreciation | <u>(144,258)</u> | 29,837 |

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

| | | |
|--|------------------|----------|
| Deferred outflows of resources related to pensions | 92,404 | |
| Deferred inflows of resources related to pensions | <u>(163,869)</u> | (71,465) |

| | |
|---|--------------------|
| The Net pension liability is not due and payable in the current period and, therefore, are not reported in the funds. | <u>(1,074,252)</u> |
|---|--------------------|

| | |
|--|-------------------------------------|
| Net position of governmental activities | <u><u>\$ (1,003,239)</u></u> |
|--|-------------------------------------|

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
RIO GALLINAS CHARTER SCHOOL
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2015

| | General | | Special Revenue |
|--|------------------------|---------------------------------------|-------------------------|
| | Operational (11000) | Instructional Materials (14000) | Food Service (21000) |
| Revenues: | | | |
| Miscellaneous | \$ 21,766 | \$ | \$ |
| State grants | 917,636 | 7,186 | |
| Federal grants | 1,083 | | 44,185 |
| Total revenues | <u>940,485</u> | <u>7,186</u> | <u>44,185</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction | 510,622 | 9,956 | |
| Support services-students | 66,894 | | |
| Support services-instruction | 1,378 | | |
| Support services-general administration | 21,706 | | |
| Support services-school administration | 177,254 | | |
| Central services | 152,425 | | |
| Operation and maintenance of plant | 80,370 | | |
| Student transportation | 14,069 | | |
| Food service operations | 39,058 | | 75,667 |
| Capital outlay | 3,231 | | |
| Total expenditures | <u>1,067,007</u> | <u>9,956</u> | <u>75,667</u> |
| Excess (deficiency) of revenues over expenditures | <u>(126,522)</u> | <u>(2,770)</u> | <u>(31,482)</u> |
| Other financing sources (uses): | | | |
| Transfer in | 316 | | |
| Transfer out | | | |
| Total other financing sources (uses): | <u>316</u> | | |
| Changes in fund balances | <u>(126,206)</u> | <u>(2,770)</u> | <u>(31,482)</u> |
| Fund balances, beginning of year | 216,829 | 5,853 | 39,271 |
| Fund balances, end of year | <u>\$ 90,623</u> | <u>\$ 3,083</u> | <u>\$ 7,789</u> |

Special Revenue

| Title I - IASA (24101) | IDEA-B Entitlement (24106) | Teacher/Principal Training and Recruiting (24154) | Title XIX Medicaid 3/21 Years (25153) | 2012 GO Bonds Student Library SB-66 (27107) | New Mexico Reads to Lead K-3 Reading Initiative (27114) |
|---------------------------|----------------------------------|---|--|---|--|
| \$ | \$ | \$ | \$ | \$ | \$ |
| 11,385 | 56,016 | 1,000 | 11,067 | 3,044 | 50,000 |
| <u>11,385</u> | <u>56,016</u> | <u>1,000</u> | <u>11,067</u> | <u>3,044</u> | <u>50,000</u> |
| 11,385 | 52,367 3,649 | 750 | 125 | 3,044 | 50,000 |
| | | 250 | 96 | | |
| <u>11,385</u> | <u>56,016</u> | <u>1,000</u> | <u>221</u> | <u>3,044</u> | <u>50,000</u> |
| | | | 10,846 | | |
| | | | 10,846 | | |
| <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$ 10,846</u> | <u>\$</u> | <u>\$</u> |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
RIO GALLINAS CHARTER SCHOOL
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2015

| | Special Revenue | | Capital Projects | | All Governmental Funds |
|--|---|--|---|---|---------------------------|
| | School Library Materials FY08 (27549) | Private Direct Grants (Categorical) (29102) | Public School Capital Outlay(31200) | Capital Improvements SB-9 (31700) | |
| Revenues: | | | | | |
| Miscellaneous | \$ | \$ 300 | \$ | \$ | \$ 22,066 |
| State grants | 316 | | 41,903 | 10,205 | 1,030,290 |
| Federal grants | | | | | 124,736 |
| Total revenues | <u>316</u> | <u>300</u> | <u>41,903</u> | <u>10,205</u> | <u>1,177,092</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction | | | | | 635,080 |
| Support services-students | | | | | 70,668 |
| Support services-instruction | | | | | 4,422 |
| Support services-general administration | | | | | 21,706 |
| Support services-school administration | | | | | 177,504 |
| Central services | | | | | 152,521 |
| Operation and maintenance of plant | | | | | 80,370 |
| Student transportation | | | | | 14,069 |
| Food service operations | | | | | 114,725 |
| Capital outlay | | | 41,903 | 10,205 | 55,339 |
| Total expenditures | | <u>-</u> | <u>41,903</u> | <u>10,205</u> | <u>1,326,404</u> |
| Excess (deficiency) of revenues over expenditures | <u>316</u> | <u>300</u> | | | <u>(149,312)</u> |
| Other financing sources (uses): | | | | | |
| Transfer in | | | | | 316 |
| Transfer out | (316) | | | | (316) |
| Total other financing sources (uses): | <u>(316)</u> | | | | |
| Changes in fund balances | | <u>300</u> | | | <u>(149,312)</u> |
| Fund balances (deficits), beginning of year | | | | | 261,953 |
| Fund balances, end of year | <u>\$</u> | <u>\$ 300</u> | <u>\$</u> | <u>\$</u> | <u>\$ 112,641</u> |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
RIO GALLINAS CHARTER SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds \$ (149,312)

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

In the Statement of Activities, the costs of capital assets are allocated over their estimated useful lives as depreciation expense. (11,768)

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred pension items, is reported as pension expense in the Statement of Activities.

| | | |
|------------------------------------|-----------------|---------------|
| Current year pension contributions | 92,404 | |
| Pension expense | <u>(56,937)</u> | <u>35,467</u> |

Changes in net position in governmental activities \$ (125,613)

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OPERATIONAL (11000)
YEAR ENDED JUNE 30, 2015

| | Original | Final | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Budgeted Amounts | | | |
| Revenues: | | | | |
| Interest | \$ 150 | \$ 150 | \$ | \$ (150) |
| Miscellaneous | 5,000 | 15,000 | 22,222 | 7,222 |
| State grants | 898,228 | 917,635 | 917,636 | 1 |
| Federal grants | | | 1,083 | 1,083 |
| Total revenues | <u>903,378</u> | <u>932,785</u> | <u>940,941</u> | <u>8,156</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 578,513 | 541,983 | 506,248 | 35,735 |
| Support services-students | 72,192 | 69,547 | 71,434 | (1,887) |
| Support services-instruction | | 4,529 | 1,378 | 3,151 |
| Support services-general administration | 104,100 | 24,109 | 22,006 | 2,103 |
| Support services-school administration | 143,939 | 185,406 | 177,254 | 8,152 |
| Central services | 70,789 | 156,055 | 152,425 | 3,630 |
| Operation and maintenance of plant | 94,829 | 88,035 | 82,431 | 5,604 |
| Student transportation | 7,610 | 16,199 | 14,069 | 2,130 |
| Other support services | 3,500 | 3,500 | | 3,500 |
| Food services operations | 44,764 | 63,830 | 39,058 | 24,772 |
| Capital outlay | | 3,232 | 3,231 | 1 |
| Total expenditures | <u>1,120,236</u> | <u>1,156,425</u> | <u>1,069,534</u> | <u>86,891</u> |
| Excess (deficiency) of revenues over expenditures | <u>(216,858)</u> | <u>(223,640)</u> | <u>(128,593)</u> | <u>94,591</u> |
| Other financing sources (uses): | | | | |
| Transfer in | | | 316 | 316 |
| Transfer out | | | (456) | (456) |
| Total other financing sources (uses): | | | <u>(140)</u> | <u>(140)</u> |
| Changes in fund balances | <u>(216,858)</u> | <u>(223,640)</u> | <u>(128,733)</u> | <u>94,907</u> |
| Fund balances, beginning of year | | | 223,730 | 223,730 |
| Fund balances (deficits), end of year | <u>\$ (216,858)</u> | <u>\$ (223,640)</u> | <u>\$ 94,997</u> | <u>\$ 318,637</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ | |
| Expenditure accruals | | | 2,527 | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$ (126,206)</u> | |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
INSTRUCTIONAL MATERIALS (14000)
YEAR ENDED JUNE 30, 2015**

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|----------------------------|---|
| | <u>Budgeted Amounts</u> | | | |
| Revenues: | | | | |
| State grants | \$ 5,277 | \$ 7,184 | \$ 7,186 | \$ 2 |
| Total revenues | <u>5,277</u> | <u>7,184</u> | <u>7,186</u> | <u>2</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 10,262 | 13,613 | 10,531 | 3,082 |
| Total expenditures | <u>10,262</u> | <u>13,613</u> | <u>10,531</u> | <u>3,082</u> |
| Changes in fund balances | <u>(4,985)</u> | <u>(6,429)</u> | <u>(3,345)</u> | <u>3,084</u> |
| Fund balances, beginning of year | | | 6,428 | 6,428 |
| Fund balances (deficits), end of year | <u>\$ (4,985)</u> | <u>\$ (6,429)</u> | <u>\$ 3,083</u> | <u>\$ 9,512</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ | |
| Expenditure accruals | | | <u>575</u> | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$ (2,770)</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOOD SERVICE (21000)
YEAR ENDED JUNE 30, 2015

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> <u>Actual</u> | <u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u> |
|--|-------------------------|--------------------|----------------------------------|---|
| | <u>Budgeted Amounts</u> | | | |
| Revenues: | | | | |
| Miscellaneous | \$ 2,334 | \$ | \$ | \$ |
| Federal grants | 55,840 | 46,467 | 44,185 | (2,282) |
| Total revenues | <u>58,174</u> | <u>46,467</u> | <u>44,185</u> | <u>(2,282)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Food services operations | 102,738 | 91,031 | 75,533 | 15,498 |
| Total expenditures | <u>102,738</u> | <u>91,031</u> | <u>75,533</u> | <u>15,498</u> |
| Changes in fund balances | <u>(44,564)</u> | <u>(44,564)</u> | <u>(31,348)</u> | <u>13,216</u> |
| Fund balances, beginning of year | | | 39,271 | 39,271 |
| Fund balances (deficits), end of year | <u>\$ (44,564)</u> | <u>\$ (44,564)</u> | <u>\$ 7,923</u> | <u>\$ 52,487</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ | |
| Expenditure accruals | | | <u>(134)</u> | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$ (31,482)</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TITLE I - IASA (24101)
YEAR ENDED JUNE 30, 2015

| | <u>Original & Final Budgeted Amounts</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--|----------------------------|---|
| Revenues: | | | |
| Federal grants | \$ 11,385 | \$ 13,710 | \$ 2,325 |
| Total revenues | <u>11,385</u> | <u>13,710</u> | <u>2,325</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 11,385 | 11,385 | |
| Total expenditures | <u>11,385</u> | <u>11,385</u> | |
| Changes in fund balances | | <u>2,325</u> | <u>2,325</u> |
| Fund balances (deficits), beginning of year | | (2,325) | (2,325) |
| Fund balances, end of year | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ (2,325) | |
| Expenditure accruals | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | <u>\$</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
IDEA-B ENTITLEMENT (24106)
YEAR ENDED JUNE 30, 2015

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> | <u>Variance with</u> |
|--|-------------------------|---------------|-----------------|----------------------|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| Federal grants | \$ 56,016 | \$ 56,016 | \$ 56,711 | \$ 695 |
| Total revenues | <u>56,016</u> | <u>56,016</u> | <u>56,711</u> | <u>695</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 56,016 | 52,367 | 52,367 | |
| Support services-students | | 3,649 | 3,649 | |
| Total expenditures | <u>56,016</u> | <u>56,016</u> | <u>56,016</u> | |
| Changes in fund balances | | | 695 | 695 |
| Fund balances (deficits), beginning of year | | | (695) | (695) |
| Fund balances, end of year | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (695) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources | | | | |
| (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FRESH FRUIT AND VEGETABLES (24118)
YEAR ENDED JUNE 30, 2015

| | <u>Original & Final</u> Budgeted Amounts | <u>Non-GAAP</u> Actual | Variance with Final Budget Positive (Negative) |
|--|--|---------------------------|---|
| Excess (deficiency) of revenues over expenditures | \$ _____ | \$ _____ | \$ _____ |
| Other financing sources (uses): | | | |
| Transfer in | _____ | 456 | 456 |
| Total other financing sources (uses): | _____ | 456 | 456 |
| Changes in fund balances | _____ | 456 | 456 |
| Fund balances (deficits), beginning of year | | (456) | (456) |
| Fund balances, end of year | \$ _____ | \$ _____ | \$ _____ |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ (456) | |
| Expenditure accruals | | _____ | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | \$ _____ | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TEACHER/PRINCIPAL TRAINING AND RECRUITING (24154)
YEAR ENDED JUNE 30, 2015

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> <u>Actual</u> | <u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u> |
|--|-------------------------|--------------|----------------------------------|---|
| | <u>Budgeted Amounts</u> | | | |
| Revenues: | | | | |
| Federal grants | \$ 1,000 | \$ 1,000 | \$ 6,500 | \$ 5,500 |
| Total revenues | <u>1,000</u> | <u>1,000</u> | <u>6,500</u> | <u>5,500</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 500 | 750 | 750 | |
| Support services-school administration | 500 | 250 | 250 | |
| Total expenditures | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | |
| Changes in fund balances | | | 5,500 | 5,500 |
| Fund balances (deficits), beginning of year | | | (5,500) | (5,500) |
| Fund balances, end of year | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (5,500) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TITLE XIX MEDICAID 3/21 YEARS (25153)
YEAR ENDED JUNE 30, 2015

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> | <u>Variance with</u> |
|--|-------------------------|--------------|------------------|----------------------|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| Federal grants | \$ 25,000 | \$ 8,000 | \$ 5,704 | \$ (2,296) |
| Total revenues | <u>25,000</u> | <u>8,000</u> | <u>5,704</u> | <u>(2,296)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Support services-students | 25,000 | 8,000 | 125 | 7,875 |
| Central services | | | 96 | (96) |
| Total expenditures | <u>25,000</u> | <u>8,000</u> | <u>221</u> | <u>7,779</u> |
| Changes in fund balances | | | <u>5,483</u> | <u>5,483</u> |
| Fund balances, beginning of year | | | | |
| Fund balances, end of year | <u>\$</u> | <u>\$</u> | <u>\$ 5,483</u> | <u>\$ 5,483</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ 5,363 | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources | | | | |
| (uses) over expenditures (GAAP Basis) | | | <u>\$ 10,846</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
2012 G.O. BONDS STUDENT LIBRARY SB-66 (27107)
YEAR ENDED JUNE 30, 2015

| | Original & Final Budgeted Amounts | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|---|--------------------|---|
| Revenues: | | | |
| State grants | \$ 3,132 | \$ | \$ (3,132) |
| Total revenues | <u>3,132</u> | <u></u> | <u>(3,132)</u> |
| Expenditures: | | | |
| Current - | | | |
| Support services-instruction | 3,132 | 3,044 | 88 |
| Total expenditures | <u>3,132</u> | <u>3,044</u> | <u>88</u> |
| Changes in fund balances | <u></u> | <u>(3,044)</u> | <u>(3,044)</u> |
| Fund balances, beginning of year | | | |
| Fund balances (deficits), end of year | <u>\$</u> | <u>\$ (3,044)</u> | <u>\$ (3,044)</u> |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ 3,044 | |
| Expenditure accruals | | <u></u> | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | <u>\$</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NEW MEXICO READS TO LEAD K-3 READING INITIATIVE (27114)
YEAR ENDED JUNE 30, 2015

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> | <u>Variance with</u> |
|--|-------------------------|---------------|--------------------|----------------------|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| State grants | \$ 50,000 | \$ 50,000 | \$ 55,787 | \$ 5,787 |
| Total revenues | <u>50,000</u> | <u>50,000</u> | <u>55,787</u> | <u>5,787</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 49,510 | 50,000 | 50,000 | |
| Support services-general administration | 490 | | | |
| Total expenditures | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> | |
| Changes in fund balances | | | <u>5,787</u> | <u>5,787</u> |
| Fund balances (deficits), beginning of year | | | (19,348) | (19,348) |
| Fund balances (deficits), end of year | <u>\$</u> | <u>\$</u> | <u>\$ (13,561)</u> | <u>\$ (13,561)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (5,787) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources | | | | |
| (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NM GROWN FVV (27183)
YEAR ENDED JUNE 30, 2015

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> | <u>Variance with</u> |
|--|-------------------------|--------------|-----------------|----------------------|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| State grants | \$ | 2,000 | \$ 588 | \$ (1,412) |
| Total revenues | | <u>2,000</u> | <u>588</u> | <u>(1,412)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Food services operations | | 2,000 | | 2,000 |
| Total expenditures | | <u>2,000</u> | | <u>2,000</u> |
| Changes in fund balances | | | 588 | 588 |
| Fund balances (deficits), beginning of year | | | (588) | (588) |
| Fund balances, end of year | \$ | \$ | \$ | \$ |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (588) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources | | | | |
| (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SCHOOL LIBRARY MATERIAL FY08 FUND (27549)
YEAR ENDED JUNE 30, 2015

| | <u>Original & Final Budgeted Amounts</u> | <u>Non-GAAP Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--|----------------------------|---|
| Excess (deficiency) of revenues over expenditures | | | |
| Other financing sources (uses): | | | |
| Transfer out | \$ | \$ (316) | \$ (316) |
| Total other financing sources (uses): | | <u>(316)</u> | <u>(316)</u> |
| Changes in fund balances | | <u>(316)</u> | <u>(316)</u> |
| Fund balances, beginning of year | | 316 | 316 |
| Fund balances, end of year | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Reconciliation to GAAP Basis: | | | |
| Revenue accruals | | \$ 316 | |
| Expenditure accruals | | | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis) | | <u>\$</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PRIVATE DIRECT GRANTS (CATEGORICAL) (29102)
YEAR ENDED JUNE 30, 2015

| | Original | Final | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-------|--------|---|
| | Budgeted Amounts | | | |
| Revenues: | | | | |
| Miscellaneous | \$ | 300 | \$ 300 | \$ |
| Total revenues | | 300 | 300 | |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | | 300 | | 300 |
| Total expenditures | | 300 | | 300 |
| Changes in fund balances | | | 300 | 300 |
| Fund balances, beginning of year | | | | |
| Fund balances, end of year | \$ | \$ | \$ 300 | \$ 300 |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PUBLIC SCHOOL CAPITAL OUTLAY (31200)
YEAR ENDED JUNE 30, 2015

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> <u>Actual</u> | <u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u> |
|--|-------------------------|---------------|----------------------------------|---|
| | <u>Budgeted Amounts</u> | | | |
| Revenues: | | | | |
| State grants | \$ | 70,688 | \$ 56,162 | \$ (14,526) |
| Total revenues | <u>\$</u> | <u>70,688</u> | <u>\$ 56,162</u> | <u>\$ (14,526)</u> |
| Expenditures: | | | | |
| Capital outlay | | 70,688 | 41,903 | 28,785 |
| Total expenditures | | <u>70,688</u> | <u>41,903</u> | <u>28,785</u> |
| Changes in fund balances | | | <u>14,259</u> | <u>14,259</u> |
| Fund balances (deficits), beginning of year | | | (29,246) | (29,246) |
| Fund balances (deficits), end of year | <u>\$</u> | <u>\$</u> | <u>\$ (14,987)</u> | <u>\$ (14,987)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (14,259) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources | | | <u>\$</u> | |
| (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2 - COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS SB-9 (31700)
YEAR ENDED JUNE 30, 2015

| | <u>Original</u> | <u>Final</u> | <u>Non-GAAP</u> | <u>Variance with</u> |
|--|-------------------------|---------------|--------------------|----------------------|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| State grants | \$ 16,763 | \$ 30,512 | \$ 25,482 | \$ (5,030) |
| Total revenues | <u>16,763</u> | <u>30,512</u> | <u>25,482</u> | <u>(5,030)</u> |
| Expenditures: | | | | |
| Capital outlay | 16,763 | 30,512 | 10,205 | 20,307 |
| Total expenditures | <u>16,763</u> | <u>30,512</u> | <u>10,205</u> | <u>20,307</u> |
| Changes in fund balances | | | <u>15,277</u> | <u>15,277</u> |
| Fund balances (deficits), beginning of year | | | (25,482) | (25,482) |
| Fund balances (deficits), end of year | <u>\$</u> | <u>\$</u> | <u>\$ (10,205)</u> | <u>\$ (10,205)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Revenue accruals | | | \$ (15,277) | |
| Expenditure accruals | | | | |
| Excess (deficiency) of revenues and other sources | | | | |
| (uses) over expenditures (GAAP Basis) | | | <u>\$</u> | |

OTHER SUPPLEMENTARY INFORMATION

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STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2015

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending Balance</u> |
|---|------------------------------|---------------------|---------------------|-----------------------|
| High School | \$ 51,369 | \$ 112,012 | \$ 110,968 | \$ 52,413 |
| Middle School | 44,192 | 201,834 | 199,218 | 46,807 |
| Valley Elementary | 4,656 | 10,418 | 7,119 | 7,956 |
| Union School Administration | 4,430 | 10,994 | 10,685 | 4,738 |
| Tony Serna Jr. Elementary | 5,930 | 21,891 | 22,493 | 5,328 |
| D.C. Martinez Elementary | 11,310 | 20,421 | 19,107 | 12,624 |
| Armijo School Administration | 8,620 | 6,874 | 7,190 | 8,305 |
| Scholarship | 23,378 | 14,111 | 4,816 | 32,673 |
| Family Partnership | 8,082 | 2,228 | 3,760 | 6,550 |
| Pre-K | 1,269 | | 324 | 945 |
| Rio Gallinas Charter | 829 | | | 829 |
| Administration | 8,028 | 4,926 | 7,350 | 5,603 |
| NMPSIA Clearing Fund | 402,514 | 2,145,442 | 2,164,170 | 383,786 |
| Non-instructional | 4,294 | 11,817 | 12,115 | 3,996 |
| Printshop | 316 | | | 316 |
| First Financial Insurance Clearing Fund | 62,327 | 329,928 | 331,863 | 60,392 |
| Trans-Clearing | 6,422 | 2,250 | 3,812 | 4,860 |
| | <u>\$ 647,966</u> | <u>\$ 2,895,144</u> | <u>\$ 2,904,990</u> | <u>\$ 638,120</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2
SCHEDULE OF DEPOSITS AND INVESTMENT ACCOUNTS
JUNE 30, 2015**

| <u>Bank Account Type</u> | <u>Southwest Capital Bank</u> |
|---|-----------------------------------|
| Checking - General Account, Interest bearing | \$ 5,301,583 |
| Checking - Cafeteria Fund, Interest bearing | 170,591 |
| Checking - Athletics, Interest bearing | 11,679 |
| Checking - Accounts Payable, Interest bearing | 301,797 |
| Checking - Payroll Clearing, Interest bearing | 630,798 |
| Checking - Rio Gallinas, Interest bearing | <u>137,107</u> |
| Total on Deposit | 6,553,555 |
| Reconciling Items | <u>(959,767)</u> |
| Reconciled Balance June 30, 2014 | <u>\$ 5,593,788</u> |
| Less: Charter School Cash | (109,914) |
| Less: Fiduciary Funds Cash | <u>(638,120)</u> |
| Cash per Government-Wide Financial Statements | <u><u>\$ 4,845,754</u></u> |

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
JUNE 30, 2015

| Name of Depository | Description of Pledged Collateral | Maturity | CUSIP Number | Face Value or Fair Market Value June 30, 2014 |
|---|-----------------------------------|-----------|--------------|--|
| Southwest Capital Bank District & Charter School | | | | |
| Location of Safekeeper: | | | | |
| *Fed. Home Loan Bank of Dallas | * FNMA 1.35% Bond | 7/11/2018 | 3136G0QW4 | \$ 702,258 |
| 8500 Freeporit Pkw, Irving TX 75063-2447 | * FNMA 3.50% Bond | 4/1/2022 | 31418AEW4 | 352,307 |
| | * FNMA 3.10% Bond | 8/1/2044 | 3138EN5E5 | 1,423,242 |
| | * FNMA 3.00% Bond | 6/1/2022 | 31418AFW3 | 604,236 |
| | | | Total | \$ 3,082,043 |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2
CASH RECONCILIATION
JUNE 30, 2015**

| | Operational Fund 11000 | Transporation Fund 13000 | Instructional Materials Fund 14000 |
|-------------------------------------|------------------------------|--------------------------------|---|
| District: | | | |
| Cash, July 1, 2014 | \$ 368,788 | \$ 51 | \$ 15,554 |
| Add: | | | |
| 2014-15 revenues | 14,104,255 | 765,709 | 102,037 |
| Permanent Cash Transfers/Reversions | | | |
| Loans from other funds | | | |
| Total cash available | <u>14,473,043</u> | <u>765,760</u> | <u>117,591</u> |
| Less: | | | |
| 2014-15 expenditures | (13,259,841) | (765,369) | (70,227) |
| Permanent Cash Transfers/Reversions | (56,504) | (26) | |
| Loans to other funds | <u>(784,240)</u> | | |
| Cash, June 30, 2015 | <u><u>\$ 372,458</u></u> | <u><u>\$ 365</u></u> | <u><u>\$ 47,364</u></u> |
| Charter School: | | | |
| Cash, July 1, 2014 | \$ 223,730 | \$ | \$ 6,428 |
| Add: | | | |
| 2014-15 revenues | 940,941 | | 7,186 |
| Permanent Cash Transfers/Reversions | | | |
| Other reconciling items | 36,835 | | |
| Loans from other funds | | | |
| Total cash available | <u>1,201,506</u> | | <u>13,614</u> |
| Less: | | | |
| 2014-15 expenditures | (1,069,534) | | (10,531) |
| Permanent Cash Transfers/Reversions | (140) | | |
| Loans to other funds | <u>(38,789)</u> | | |
| Cash, June 30, 2015 | <u><u>\$ 93,043</u></u> | <u><u>\$</u></u> | <u><u>\$ 3,083</u></u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2
CASH RECONCILIATION
JUNE 30, 2015**

| Food Service Fund 21000 | Athletics Fund 22000 | Non-Instruction Fund 23000 | Federal Flowthrough Fund 24000 | Federal Direct Fund 25000 | Local Grants Fund 26000 |
|-------------------------------|----------------------------|----------------------------------|---|------------------------------------|----------------------------------|
| \$ 244,717 | \$ 7,230 | \$ 4,635 | (776,868) | \$ 47,704 | \$ 463 |
| 1,216,686 | 49,713 | | 1,377,818 38,166 584,531 | 1,753,715 | |
| 1,461,403 | 56,943 | 4,635 | 1,223,647 | 1,801,419 | 463 |
| (1,283,416) | (45,264) | (4,093) (340) | (1,223,647) | (1,785,180) | (50) |
| <u>\$ 177,987</u> | <u>\$ 11,679</u> | <u>\$ 202</u> | <u>\$</u> | <u>\$ 16,239</u> | <u>\$ 413</u> |
| \$ 39,271 | \$ | \$ | \$ (8,976) | \$ | |
| 44,185 | | | 76,921 456 | 5,704 | |
| 83,456 | | | 68,401 | 5,704 | |
| (75,533) | | | (68,401) | (221) | |
| <u>\$ 7,923</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$ 5,483</u> | <u>\$</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2
CASH RECONCILIATION
JUNE 30, 2015**

| | State Flowthrough Fund 27000 | State Direct Fund 28000 | Local / State Fund 29000 |
|-------------------------------------|---------------------------------------|----------------------------------|-----------------------------------|
| District: | | | |
| Cash, July 1, 2014 | \$ (32,167) | \$ 298 | \$ (10,186) |
| Add: | | | |
| 2014-15 revenues | 442,822 | | 43,223 |
| Permanent Cash Transfers/Reversions | | | |
| Loans from other funds | 190,787 | | 3,827 |
| Total cash available | 601,442 | 298 | 36,864 |
| Less: | | | |
| 2014-15 expenditures | (580,084) | (298) | (36,864) |
| Permanent Cash Transfers/Reversions | (21,358) | | |
| Loans to other funds | | | |
| Cash, June 30, 2015 | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Charter School: | | | |
| Cash, July 1, 2014 | \$ (19,620) | \$ | \$ |
| Add: | | | |
| 2014-15 revenues | 56,374 | | 300 |
| Permanent Cash Transfers/Reversions | | | |
| Other reconciling items | 3,008 | | |
| Loans from other funds | 13,598 | | |
| Total cash available | 53,360 | | 300 |
| Less: | | | |
| 2014-15 expenditures | (53,044) | | |
| Permanent Cash Transfers/Reversions | (316) | | |
| Loans to other funds | | | |
| Cash, June 30, 2015 | <u>\$</u> | <u>\$</u> | <u>\$ 300</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO.2
CASH RECONCILIATION
JUNE 30, 2015**

| Bond Building Fund 31100 | Public School Capital Outlay Fund 31200 | Special Capital Outlay State Fund 31400 | Capital Improvement SB9 Fund 31700 | Debt Service Fund 41000 | Total |
|--------------------------------|--|--|---|-------------------------------|---------------------|
| \$ 2,433,840 | \$ | \$ 36,955 | \$ 109,319 | \$ 1,625,321 | \$ 4,075,654 |
| 1,011,583 | | 90,631 | 423,771 | 1,785,335 | 23,167,298 |
| | | | 5,095 | | 38,166 |
| 3,445,423 | | 127,586 | 538,185 | 3,410,656 | 28,065,358 |
| (1,060,360) | | (75,000) | (538,185) | (1,629,254) | (22,357,132) |
| | | | | | (78,228) |
| | | | | | (784,240) |
| <u>\$ 2,385,063</u> | <u>\$</u> | <u>\$ 52,586</u> | <u>\$</u> | <u>\$ 1,781,402</u> | <u>\$ 4,845,758</u> |
| \$ | \$ (29,246) | \$ | \$ (25,482) | \$ | \$ 186,105 |
| | 56,162 | | 25,482 | | 1,213,255 |
| | | | | | 456 |
| | 14,987 | | 10,205 | | 39,843 |
| | 41,903 | | 10,205 | | 38,790 |
| | (41,903) | | (10,205) | | 1,478,449 |
| | | | | | (1,329,372) |
| | | | | | (456) |
| | | | | | (38,789) |
| <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$ 109,832</u> |

**STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING
JUNE 30, 2015**

The District entered into a Memorandum of Understanding with the City of Las Vegas (the City) on January 23, 2013 to establish a discount membership program to the faculty and staff of the District for the use of the City's Abe Montoya Recreation Center. Employees of the District may participate by electing a payroll deduction for the membership fee, which the District remits to the City on a monthly basis along with a list of the participating employees. The agreement is renewable annually.

The District entered into a Memorandum of Agreement with the New Mexico Highlands University (the NMHU) on June 26, 2014 to establish a dual credit program to increase the educational opportunities and options for high school students. All District high school students enrolled in one-half or more of the minimum course requirements approved by PED are able to enroll in eligible courses at the NMHU. The NMHU waives all tuition and fees and the District purchases the textbooks and course supplies. The agreement is automatically renewed annually unless either party notifies the other party of their intent not to renew 60 days before the end of the fiscal year.

The District entered into a Cooperative Agreement with the Luna Community College (the College) on November 4, 2013 to establish a Dental Assistant program for District students. The College provides professional liability insurance, the faculty, and the curriculum for the program, while the District provides the facilities. The agreement terminates on July 31, 2015.

The District entered into a Memorandum of Understanding with the New Mexico Mathematics, Engineering, Science Achievement, Inc. (MESA) on September 3, 2014 to allow for growth of the MESA program at West High School, West Middle School, and Valley Middle School. The District provides advisor stipends, provides MESA with relevant dates and facilitates a meeting, while MESA provides transportation funding, an activity fund, and an ongoing administrative support.

WEST LAS VEGAS SCHOOL DISTRICT NO. 2
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2015
 Prepared by Agency Staff Name: Dinah Maynes Title: Business Manager Date: November 6, 2015

| <i>RFB#/RFP#</i> | <i>Type of Procurement</i> | <i>Awarded Vendor</i> | <i>\$ Amount of Awarded Contract</i> | <i>\$ Amount of Amended Contract</i> | <i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i> | <i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i> | <i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i> | <i>Brief Description of the Scope of Work</i> |
|--|----------------------------|-----------------------|--------------------------------------|--------------------------------------|---|---|---|---|
| N/A - There were no contracts awarded during fiscal year 2015 procurements that resulted in expenditures that exceeded \$60,000. | | | | | | | | |
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SINGLE AUDIT SECTION

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

Independent Auditor's Report

Mr. Timothy Keller
New Mexico State Auditor

The Board of Education
West Las Vegas School District No. 2

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, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of West Las Vegas School District No. 2, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise West Las Vegas School District No. 2's basic financial statements, and the combining and individual funds and related budgetary comparisons of West Las Vegas School District No. 2, presented as supplemental information, and have issued our report thereon dated November 6, 2015. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 68, as amended Statement No. 71.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Las Vegas School District No. 2'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 West Las Vegas School District No. 2's internal control. Accordingly, we do not express an opinion on the effectiveness of West Las Vegas School District No. 2'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2008-003, 2009-005, 2014-002, 2014-003, and 2014-005 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Last Vegas School District No. 2's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2008-003, 2009-005, 2014-001, 2014-002, 2014-003, 2014-005, and 2015-001.

West Last Vegas School District No. 2's Response to Findings

West Last Vegas School District No. 2's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. West Last Vegas School District No. 2's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 6, 2015

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133**

Independent Auditor's Report

Mr. Timothy Keller
New Mexico State Auditor

The Board of Education
West Las Vegas School District No. 2

Report on Compliance for Each Major Federal Program

We have audited West Las Vegas School District No. 2's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of West Las Vegas School District No. 2's major federal programs for the year ended June 30, 2015. West Las Vegas School District No. 2's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of West Las Vegas School District No. 2's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about West Las Vegas School District No. 2's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of West Las Vegas School District No. 2's compliance.

Opinion on Each Major Federal Program

In our opinion, West Last Vegas School District No. 2 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-005, 2013-007, 2014-005, and 2015-002. Our opinion on each major federal program is not modified with respect to these matters.

West Last Vegas School District No. 2's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. West Last Vegas School District No. 2's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of West Last Vegas School District No. 2 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered West Last Vegas School District No. 2's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of West Last Vegas School District No. 2's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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 over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2012-005, 2013-007, and 2014-005 that we consider to be significant deficiencies.

West Last Vegas School District No. 2's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. West Last Vegas School District No. 2's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 6, 2015

STATE OF NEW MEXICO
WEST LAS VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>CFDA Number</u> | <u>Pass-Through Grantor's Number</u> | <u>Expenditures and Transfers</u> | <u>Total Expenditures and Transfers</u> |
|---|------------------------|--|---------------------------------------|---|
| <u>U.S. Department of Education</u> | | | | |
| Passed through the State of New Mexico Department of Education: | | | | |
| Title I, Part A Cluster: | | | | |
| Title I Grants to Local Educational Agencies | 84.010 | 24101 | \$ 616,191 | |
| Title I Grants to Local Educational Agencies - Charter School | 84.010 | 24101 | 11,385 | |
| Total Title I, Part A Cluster | | | <u>627,576</u> | \$ 627,576 |
| Special Education Cluster: | | | | |
| Special Education - Grants to States | 84.027 | 24106, 24120 | \$ 318,579 | |
| Special Education - Grants to States - Charter School | 84.027 | 24106 | 56,016 | |
| Special Education - Preschool Grants | 84.173 | 24109 | 11,326 | |
| Total Special Education Cluster | | | <u>385,921</u> | 385,921 |
| Education for Homeless Children and Youth | 84.196 | 24113 | | 209 |
| Fund for the Improvement of Education | 84.215 | 25241 | | 30 |
| Rural Education | 84.358 | 24160 | | 30,340 |
| English Language Acquisition State Grants | 84.365 | 24153 | | 27,265 |
| Improving Teacher Quality State Grants Cluster: | | | | |
| Improving Teacher Quality State Grants | 84.367 | 24154 | 106,410 | |
| Improving Teacher Quality State Grants - Charter School | 84.367 | 24154 | 1,000 | |
| Total Improving Teacher Quality State Grants Cluster | | | <u>107,410</u> | 107,410 |
| State Equalization Guarantee - Federal Stimulus | 84.394 | 25250 | | <u>49</u> |
| Total U.S. Department of Education | | | | <u><u>1,178,800</u></u> |
| <u>U.S. Department of Agriculture</u> | | | | |
| Passed through State of New Mexico Department of Education: | | | | |
| Child Nutrition Cluster: | | | | |
| Non-Cash Assistance (Commodities): | | | | |
| National School Lunch Program | 10.555 | 21000 | 71,365 | |
| Cash Assistance: | | | | |
| School Breakfast Program | 10.553 | 21000 | 439,372 | |
| School Breakfast Program - Charter School | 10.553 | 21000 | 11,894 | |
| National School Lunch Program | 10.555 | 21000 | 684,719 | |
| National School Lunch Program - Charter School | 10.555 | 21000 | 22,736 | |
| Cash Assistance Subtotal | | | <u>1,158,721</u> | |
| Total Child Nutrition Cluster | | | | 1,230,086 |
| Child and Adult Care Food Program Cluster: | | | | |
| Child and Adult Care Food Program | 10.558 | 21000 | 13,474 | |
| Child and Adult Care Food Program - Charter School | 10.558 | 21000 | 9,555 | |
| Total Child and Adult Care Food Program Cluster: | | | <u>23,029</u> | 23,029 |
| Fresh Fruit and Vegetable Program | 10.582 | 24118 | | 28,091 |
| Direct: | | | | |
| Schools and Roads - Grants to States | 10.665 | 11000 | | <u>12,079</u> |
| Total U.S. Department of Agriculture | | | | <u><u>1,293,285</u></u> |
| <u>U.S. Department of Health and Human Services</u> | | | | |
| Direct: | | | | |
| Youth Resiliency Project (CDC School Health) | 93.079 | 24186 | | 2,444 |
| Head Start | 93.600 | 25127 | | 1,647,990 |
| Medical Assistance Program Cluster: | | | | |
| Medical Assistance Program | 93.778 | 25153 | 104,209 | |
| Medical Assistance Program - Charter School | 93.778 | 25153 | 11,067 | |
| Total Medical Assistance Program Cluster: | | | <u>115,276</u> | 115,276 |
| Total U.S. Department of Health and Human Services | | | | <u><u>1,765,710</u></u> |
| Total Expenditures of Federal Awards | | | | <u><u>\$ 4,237,795</u></u> |

WEST LAST VEGAS SCHOOL DISTRICT NO. 2
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of West Last Vegas School District No. 2 under programs of the federal government for the year ended June 30, 2015. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the applicable OMB cost principles circular, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2015 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word “unknown” were used.

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? X yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? X yes no

Identification of major programs:

| <u>CFDA Numbers</u> | <u>Name of Federal Program or Cluster</u> |
|---------------------|---|
| 84.010 | Title I, Part A Cluster |
| 84.027, 84.173 | Special Education Cluster |
| 10.553, 10.555 | Child Nutrition Cluster |
| 93.600 | Head Start |

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Reference Number: 2008-003 (FS 08-03) (West Las Vegas School District)

Type of Finding: Significant Deficiency, Noncompliance

Description: Budgeting

CRITERIA

Sound financial management and 6.20.2.9 NMAC require that budgets not be exceeded at the legal level of control. For school districts, the expenditure function is the legal level of control. In addition, management must give notice of public hearing for adoption of the proposed budget in accordance with New Mexico Open Meetings Act, Section 10-15-1.

CONDITION/CONTEXT

Actual expenditures exceeded budgeted expenditures at the legal level of budgetary control for the District within four funds as follows:

| <u>Fund No.</u> | <u>Fund Description</u> | <u>Function No.</u> | <u>Function Description</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------|--------------------------------|---------------------|---|---------------|---------------|-----------------|
| 23015 | Admin. Polo Shirt Donations | 2300 | Support Services – General Administration | 0 | 340 | (340) |
| 41000 | Debt Service | 2300 | Support Services – General Administration | 16,456 | 17,840 | (1,384) |

Progress of repeat finding: It appears that management has been correcting items noted in previous fiscal years; however, new overexpenditures occurred on the functional level (however, funds in total do not appear to be exceeded).

CAUSE

The District did not make the appropriate budgetary adjustments requests and transfers to alleviate possible over-expenditure within functions prior to the year end.

EFFECT/POTENTIAL EFFECT

The District is in noncompliance 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 cover the over-expenditures.

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Reference Number: 2008-003 (FS 08-03) (West Las Vegas School District)

RECOMMENDATION

The District should establish a policy of budgetary review at year-end, and make the necessary budget adjustments resolutions (BARs) prior to year end.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management will review budgets on a monthly basis and submit necessary budget adjustment requests to the Public Education Department to ensure there are no budget over-expenditures.

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Reference Number: 2009-005 (FS 09-05) (West Las Vegas School District)

Type of Finding: Significant Deficiency, Noncompliance

Description: Internal Controls over Cash and Fund Balances

CRITERIA

According to subsection B of Section 6-10-16 NMSA 1978, one half the amount of public deposits of public money shall be secured. Good accounting policies indicate that funds which are no longer in use should be adjusted to \$0 and closed out.

CONDITION/CONTEXT

The District did not meet the 50 percent rule for collateralizing the District's cash balances. In addition, during our review of the District's trial balance, we noted several funds which are carrying balances forward from year-to-year, but are no longer active funds.

| <u>District</u> | |
|--|----------|
| Scoreboard Donations (23010) | \$ 200 |
| IDEA-B Discretionary (24107) | (6,134) |
| ELL Title III Incentive Awards (24143) | (8,666) |
| Title IV -A Safe & Drug Free Schools & Community (24157) | 10,588 |
| 21st Century Community Learning Centers (24159) | (19,008) |
| Libraries - SB 301 G.O. Bonds-Laws of 2006 (27170) | (17,236) |

Progress of repeat findings: It appears as if management has made corrections in its controls in regards to inactive funds, however, there were still some remaining funds that were inactive.

CAUSE

The District typically relies on the bank to ensure that the District's monies are collateralized by 50 percent and did not realize that the accounts were under collateralized as of year end. In addition, the District had funds on its books which are no longer active funds, but these funds have never been truly closed out.

EFFECT/POTENTIAL EFFECT

The Districts cash balances were undercollateralized by \$1,181. In addition, the additional funds are creating more work for the District as procedures such as reconciliations and reports are completed.

WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Reference Number: 2009-005 (FS 09-05) (West Las Vegas School District)

RECOMMENDATION

We recommend the District to review collateralization statements monthly and ensure that the cash balances are appropriately secured. In addition, the District and Charter School should go through the list of inactive funds and determine whether funds need to be returned to the grantor or transferred to the general fund. In cases where the fund has a deficit balance, the District and Charter School need to research whether the balance can be received from the grantor, or if the funds need to be transferred from the general fund to cover the deficit.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management will continue to work during fiscal year 2016 with the Public Education Department to address negative fund balances and eventually zero these funds out.

WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Reference Number: 2014-001 (West Las Vegas School District)

Type of Finding: Control Deficiency, Noncompliance

Description: Purchasing

CRITERIA

District procurement policies require a formal bid for professional service vendors between \$20,000 and \$60,000.

CONDITION/CONTEXT

For one professional service vendor between \$20,000 and \$60,000, the District did not issue formal bids as required by District policy.

Progress of repeat findings: It appears as if management has made corrections in its controls over purchasing, however, this clerical oversight occurred.

CAUSE

District personnel did not consider the purchase to be subject to formal bidding process because it did not exceed state required thresholds.

EFFECT/POTENTIAL EFFECT

District was not in compliance with its own purchasing policy.

RECOMMENDATION

The District should ensure that if District purchasing policies are more restrictive than that of the State, the District should ensure that the more restrictive policy is followed.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management will review procurement procedures to ensure that appropriate procedures are being followed.

WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Reference Number: 2014-002 (West Las Vegas School District and Rio Gallinas Charter School)

Type of Finding: Significant Deficiency, Noncompliance

Description: Expenditures

CRITERIA

According to generally accepted accounting principles, management and staff should maintain documentation to support all disbursements and ensure disbursements are properly recorded and allowable. In addition, in accordance with sound business practices and Regulation 6.20.2 issued by the New Mexico Public Education Department (PED), all school districts should establish and maintain a general ledger using the PED uniform chart of accounts. Furthermore, in accordance with the Public School Finance Act, Districts should have credit card policies in place.

CONDITION/CONTEXT

The District and Charter lacked adequate internal controls over expenditures to ensure appropriate processes were followed and that all related financial activities were properly accounted for in the correct period. During our review of various disbursements, we noted the following:

- For six of 30 disbursements reviewed in the subsequent fiscal year, the goods and/or services were received on or before June 30, 2015 and were not accounted for as expenditures of the current fiscal year.
- For two of 40 District and one of 20 Charter School disbursements reviewed, the purchase order was approved and issued after the goods and/or services were received.
- For one of 40 disbursements reviewed, the District did not document when the services were received and therefore it was unable to be determined if the purchase order was approved prior to receipt of the services.
- For one of 40 disbursements reviewed, the District issued the check prior to receiving the goods. In addition, the District did not document that these goods were received.
- For seven of 40 disbursements reviewed, the District did not properly code the expenditures as per the PED, Uniform Chart of Accounts.
- For two of 20 Charter School disbursements reviewed, the School did not have a process in place to ensure that the number of meals being invoiced were actually received.
- The District did not have a credit card policy in place for the Tractor Supply and General Dollar credit cards.

Progress of repeat findings: It appears as if the District has improved controls over travel reimbursements, however, there were inconsistencies in controls over expenditures.

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Reference Number: 2014-002 (West Las Vegas School District and Rio Gallinas Charter School)

CAUSE

District and charter school both have a limited number of staff. While controls over disbursements are in place, policies and procedures may not always be followed.

EFFECT/POTENTIAL EFFECT

Inadequate controls for disbursements could result in unallowable expenditures, fraudulent activity and material misstatements.

RECOMMENDATION

Management should provide training over appropriate disbursement procedures. In addition, transactions should be reviewed prior to approval to ensure the allowability of the purchase as well as the coding of the expenditure as per the uniform chart of accounts. Furthermore, the District should adopt credit card policies related to other types of credit cards other than just fuel cards.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

West Las Vegas School District: Management will provide staff training for disbursement procedures. All transactions should be reviewed prior to approval to ensure the allowability of the purchase as well the coding of the expenditure as per the uniform chart of accounts. In addition, West Las Vegas will develop a credit card policy for fiscal year 2016.

Rio Gallinas Charter School: The School has developed additional internal procedures to address the items noted. This should limit purchases being made before the purchase order is processed due to the increased communication of this procedure through internal staff training and visibility of the procedures on site. This should also prevent future invoices from being paid without verification since the invoices are compared to monthly reports of meal ordering and production records before the invoice is paid.

WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Reference Number: 2014-003 (Rio Gallinas Charter School)

Type of Finding: Significant Deficiency, Noncompliance

Description: Payroll

CRITERIA

Salaries, wages, and related payroll expenditures constitute a major portion of District expenditures. Therefore, the human resource function is that require complete and effective internal controls that allow management or employees in the normal course of performing their assigned functions, to prevent, or correct errors related to payroll. These requirements include maintenance of records that provide adequate support for payroll expenditures, account distribution, and compliance with New Mexico statutes. In addition, the District must also adhere to compliance requirements set forth by the Educational Retirement Act in accordance with 22-11-1 to 22-11-5 NMSA.

CONDITION/CONTEXT

The Charter lacked adequate internal controls over managing human resources and payroll distributions to ensure all state guidelines are followed. During our review of such transactions we noted the following:

- For nine of 15 employee files reviewed, a background check was not completed and maintained in the employee personnel files.

Progress of repeat findings: It was noted that the District's management corrected its controls over payroll. The Charter School's management is in the process of making corrections.

CAUSE

Charter policies were not always followed.

EFFECT/POTENTIAL EFFECT

The Charter was not always compliant with State labor requirements and did not always perform background checks.

RECOMMENDATION

Management should ensure background checks are performed on all incoming employees as no employee should be engaged in active work without adequate background paperwork on file. In addition, Employee Retirement Board remittances should be processed on a timely basis.

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Reference Number: 2014-003 (Rio Gallinas Charter School)

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The School was in the process of establishing the ORI (Originating Agency Identification) and account with Cogent. Unfortunately, it took longer than expected. The School, as of today, has established all necessary accounts and has processed and filed all background check results for current employees in the School's personnel files. This has also been certified to the Public Education Department

WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Reference Number: 2014-005 (West Las Vegas School District and Rio Gallinas Charter School)

Type of Finding: Significant Deficiency, Noncompliance

Description: Financial Reporting

Finding 2014-005, which is discussed in detail in Findings and Questioned Costs Related to Federal Awards, was considered to be applicable to Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*.

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Reference Number: 2015-001 (West Las Vegas School District)

Type of Finding: Control Deficiency

Description: Capital Assets

CRITERIA

Per New Mexico Statute 2.20.1.8 Capital Asset Accounting System, agencies should implement systematic and well-documented methods for accounting for their capital assets.

CONDITION/CONTEXT

The District misclassified a completed building as of September of 2014 as construction in progress as of year end.

CAUSE

There was miscommunication between the assistant business manager and the project manager in regards to this project.

EFFECT/POTENTIAL EFFECT

Capital assets were misclassified and depreciation expense was understated by an insignificant amount.

RECOMMENDATION

Management should ensure there is appropriate communication between the project manager when projects have been completed and are in service.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management will ensure that the Fixed Assets Coordinator and Project Manager implement internal staff trainings and visibility of the procedures on site.

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Reference Number: 2012-005 (FA 12-05) (West Las Vegas School District)

| <u>Programs:</u> | <u>CFDA Numbers:</u> | <u>Grantor Numbers:</u> | <u>Questioned Costs:</u> |
|---------------------------|--------------------------|-------------------------|------------------------------|
| Title I, Part A Cluster | 84.010 | 24101 | N/A |
| Special Education Cluster | 84.027, 84.173 | 24106, 24109, 24120 | N/A |
| Head Start | 93.600 | 25127 | N/A |
| Child Nutrition Cluster | 10.553, 10.555 | 21000 | N/A |

Federal Agencies: U.S. Department of Education, U.S. Department of Health and Human Services, U.S. Department of Agriculture

Pass-Through Agency: State of New Mexico Department of Education

Applicable ARRA Program: N/A

Type of Finding: Significant Deficiency, Noncompliance

Compliance Requirements: Allowable Costs/Cost Principles

CRITERIA

According to Office of Management and Budget (OMB) Circular A-87, where employees work solely on a single cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation.

CONDITION/CONTEXT

For seven of 40 District employees reviewed, time and effort documentation was not maintained. Additionally, for nine of 40 District employees reviewed, time and effort documentation was not completed for half of the fiscal year.

Progress of repeat findings: It appears as if management has not made progress towards compliance.

CAUSE

District policies were not always followed.

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Reference Number: 2012-005 (FA 12-05) (West Las Vegas School District)

EFFECT/POTENTIAL EFFECT

The School was not in compliance with OMB Circular A-87.

RECOMMENDATION

Employees whose salaries are split between funds, including at least one federal fund, should submit monthly activity reports. Employees paid solely from one federal fund should complete semi-annual certifications of the duties performed. The forms should be signed by the employee and reviewed by the District to ensure that it properly reflects the grants that they worked on.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management will have staff members with split fund salaries submit monthly activity reports. As for staff members that are 100% federally funded, they will be asked to sign a PAR on a semi-annual basis.

Contact Person: Business Manager

Anticipated Completion Date: June 30, 2016

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Reference Number: 2013-007 (FA 13-07 (Rio Gallinas Charter School))

Program: Child Nutrition Cluster

CFDA Numbers: 10.553, 10.555

Federal Agency: U.S. Department of Agriculture

Pass-Through Agency: State of New Mexico Department of Education

Applicable ARRA Programs: N/A

Grantor Number: 21000

Questioned Costs: N/A

Type of Finding: Significant Deficiency, Noncompliance

Compliance Requirement: Reporting

CRITERIA

According to 7 CFR §§210.7(c), 210.8(c), and 225.9(d), to receive reimbursement payments for meals served, the District must submit claims for reimbursement to its administering agency. All claims must be supported by accurate meal counts by category and type taken at the point of service or developed through an approved alternative procedure.

CONDITION/CONTEXT

The Charter School underreported breakfast meals by one for the NSLP claim for the month of April 2015. In addition, the Charter School failed to submit NSLP claims for the months of October, November and December of 2014.

Progress of repeat finding: It appears that District's management corrected its processes. This finding was related to the Charter School in the current fiscal year.

CAUSE

The Charter School experienced turnover in personnel.

EFFECT/POTENTIAL EFFECT

The Charter School was not in compliance with the reporting requirements related to the Child Nutrition Cluster. In addition, the Charter School was not funded for meals served during the months of submissions missed.

RECOMMENDATION

The Charter School should ensure to establish procedures to ensure that the number of meals served are properly reported and reconciled to supporting detailed records of meals served. In addition, the Charter School should ensure that claims are submitted.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The School has developed and implemented procedures to review and catch potential errors. The Food Service Fund will be monitored monthly to identify outstanding receivables. The daily serving records will be reviewed by the business manager and compared to the final monthly claim report.

Contact Person: Charter School Business Manager

Anticipated Completion Date: June 30, 2016

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Reference Number: 2014-005 (West Las Vegas School District and Rio Gallinas Charter School)

| <u>Programs:</u> | <u>CFDA Numbers:</u> | <u>Grantor Numbers:</u> | <u>Questioned Costs:</u> |
|---------------------------|--------------------------|-------------------------|------------------------------|
| Special Education Cluster | 84.027 | 24106 | N/A |
| Head Start | 93.600 | 25127 | \$1,679 |
| Child Nutrition Cluster | 10.553, 10.555 | 21000 | N/A |

Federal Agencies: U.S. Department of Education, U.S. Department of Health and Human Services, U.S. Department of Agriculture

Pass-Through Agency: State of New Mexico Department of Education

Applicable ARRA Program: N/A

Type of Finding: Significant Deficiency, Noncompliance

Compliance Requirements: Allowable Costs/Cost Principles, Period of Availability of Federal Funds

CRITERIA

According to generally accepted accounting principles, management and staff should maintain documentation to support all disbursements and ensure disbursements are properly recorded, allowable and within the period of availability per grant agreements. In addition, in accordance with sound business practices and Regulation 6.20.2 issued by the New Mexico Public Education Department (PED), all school districts should establish and maintain a general ledger using the PED uniform chart of accounts.

CONDITION/CONTEXT

The District and Charter lacked adequate internal controls over accounts payable to ensure appropriate processes were followed and that all related financial activities were properly accounted for in the correct period. During our review of various disbursements, we noted the following:

- For one (25127) of 40 disbursements reviewed, the disbursement was made outside of the period of availability in the amount of \$1,679. In addition, the District issued the check prior to receiving the goods. Furthermore, the District did not document that these goods were received. The questioned cost was the amount listed on the invoice.
- For four (one from 24106, two from 25127, one from 21000) of 40 disbursements reviewed, the District did not properly code the expenditures as per the PED, Uniform Chart of Accounts.
- For two (21000) of 20 Charter School disbursements reviewed, the School did not have a process in place to ensure that the number of meals being invoiced were actually received.

Progress of repeat findings: It appears that there are still some inconsistencies in regards to coding expenditures.

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Reference Number: 2014-005 (West Las Vegas School District and Rio Gallinas Charter School)

CAUSE

District and charter school both have a limited number of staff. While controls over disbursements are in place, policies and procedures may not always be followed.

EFFECT/POTENTIAL EFFECT

Inadequate controls for disbursements could result in unallowable expenditures and expenditures made outside the period of availability.

RECOMMENDATION

Management should provide training over appropriate disbursement procedures. In addition, transactions should be reviewed prior to approval to ensure the allowability of the purchase as well as the coding of the expenditure as per the uniform chart of accounts.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

West Las Vegas School District: Management will provide staff training for disbursement procedures. All transactions should be reviewed prior to approval to ensure the allowability of the purchase as well the coding of the expenditure as per the uniform chart of accounts.

Rio Gallinas Charter School: The School has developed a process to ensure that the correct amount is being paid for daily meals. The School will compare the production records from WLVS and the meals being ordered to the invoice. Any discrepancies will be addressed before payment is processed.

Contact Person: Business Manager

Anticipated Completion Date: June 30, 2016

WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Reference Number: 2015-002 (West Las Vegas School District)

Program: Special Education Cluster

CFDA Numbers: 84.027, 84.173

Federal Agency: U.S. Department of Education

Pass-Through Agency: State of New Mexico Department of Education

Applicable ARRA Program: N/A

Grantor Numbers: 24106, 24109

Questioned Costs: N/A

Type of Finding: Noncompliance

Compliance Requirement: Reporting

CRITERIA

According to 34 CFR, §300.536, the District is required to conduct a reevaluation at least every three years for each child with a disability in order to receive Special Education services and should retain documentation supporting the evaluation.

CONDITION/CONTEXT

For two of 40 Special Education student files reviewed, the District did not maintain documentation of the evaluation.

CAUSE

The District attempted to retrieve the evaluations performed at the students' previous school district several times, however, was unable to obtain the documentation.

EFFECT/POTENTIAL EFFECT

The District may not have complied with 34 CFR requirements governing the education of children with disabilities.

RECOMMENDATION

The District should perform their own evaluation of incoming students when records are unable to be obtained.

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Reference Number: 2015-002 (West Las Vegas School District)

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management will implement a flowchart with the dates and times when evaluations and IEP's are requested and received by the District for students who transfer to the District with special needs. The SPED Director, Records Clerk and SPED Secretary will verify that documents are in place.

Contact Person: Business Manager

Anticipated Completion Date: June 30, 2016

**STATE OF NEW MEXICO
WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2014**

Status of Prior Year Findings

| <u>Finding Reference</u> | <u>Status</u> |
|--|-----------------------|
| West Las Vegas School District | |
| 2008-003 (FS 08-03) Budgeting | Modified and repeated |
| 2009-005 (FS 09-05) Internal Controls over Cash and Fund Balances | Modified and repeated |
| 2014-001 Purchasing | Modified and repeated |
| 2014-002 Expenditures | Modified and repeated |
| 2014-003 Payroll | Corrected |
| 2014-005 Financial Reporting | Modified and repeated |
| Rio Gallinas Charter School | |
| 2009-005 (FS 09-05) Internal Controls over Cash and Fund Balances | Corrected |
| 2014-002 Expenditures | Modified and repeated |
| 2014-003 Payroll | Modified and repeated |

Reference Number: 2012-005 (FA 12-05) (West Las Vegas School District and Rio Gallinas Charter School)

Program: Special Education Cluster; Head Start; Child Nutrition Cluster
CFDA Numbers: 84.027, 84.173; 93.600; 10.553, 10.555

Status: Modified and repeated. See current year finding 2012-005.

Reference Number: 2013-006 (FA 13-06) (West Las Vegas School District)

Program: Head Start
CFDA Number: 93.600

Status: Corrected.

Reference Number: 2013-007 (FA 13-07) (West Las Vegas School District)

Program: Child Nutrition Cluster
CFDA Numbers: 10.553, 10.555

Status: Modified and repeated. See current year finding 2013-007.

Reference Number: 2014-004 (West Las Vegas School District and Rio Gallinas Charter School)

Program: Title I, Part A Cluster
CFDA Number: 84.010

Status: Corrected.

Reference Number: 2014-005 (West Las Vegas School District)

Program: Title I, Part A Cluster, Head Start, Child Nutrition Cluster
CFDA Numbers: 84.010, 93.600, 10.553, 10.555

Status: Modified and repeated. See current year finding 2014-005.

**WEST LAST VEGAS SCHOOL DISTRICT NO. 2
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015**

An exit conference was conducted on November 2, 2015, in a closed meeting, in which the contents of this report were discussed with the following.

West Las Vegas School District No. 2

Christine Ludi, Board of Education Secretary
Leroy Benavidez, Board of Education Member
Henry Abeyta, Audit Committee Member
Raymond Lujan, Audit Committee Member
Gene Parson, Superintendent
Darice Balizan, Associate Superintendent for Instruction
Dinah Maynes, Business Manager
Kenneth Abeyta, Assistant Business Manager

Rio Gallinas Charter School

Crystal Gallegos, Governing Council Chairwoman
Georgina Cruz, Governing Council Member
Gerald Garcia, Director
Jolene Jaramillo, Business Manager

Heinfeld, Meech & Co., P.C.

Michael L. Lauzon, CPA, Audit Manager

FINANCIAL STATEMENT PREPARATION

Heinfeld, Meech & Co., P.C. assisted in the preparation of the financial statements presented in this report. The District's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statement.