

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2012
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



KEYSTONE ACCOUNTING, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

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STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

OFFICIAL ROSTER
June 30, 2012

BOARD OF EDUCATION

Isabel L. Duran	President
Leroy Lopez	Vice President
Juliet Garcia-Gonzales	Secretary
Norman Esquibel	Member
Roland Rodriguez	Member

SCHOOL OFFICIALS

Janelle Livingston	Superintendent
Elizabeth Romero	Business Manager

AUDIT COMMITTEE

Isabel L. Duran	Board President
Norman Esquibel	Board Member
Janelle Livingston	Superintendent
Elizabeth Romero	Business Manager
Jane Fernandez	Member
Yvonne Castillo	Member

FINANCE COMMITTEE

Isabel L. Duran	Board Secretary
Janelle Livingston	Superintendent
Elizabeth Romero	Business Manager
Bobby Romero	Member
Michael Pacheco	Member
Cecilia Romero-Torres	Member
Kathryn Vigil	Member

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FINANCIAL SECTION

FISCAL YEAR 2012

JULY 1, 2011 THROUGH JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
And the Board of Education of
Penasco Independent School District No. 4

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of the Penasco Independent School District No. 4, as of and for the year ended June 30, 2012, which collectively comprise Penasco Independent School District No. 4's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Penasco Independent School District No. 4's nonmajor governmental funds and the budgetary comparisons for the major capital projects funds, debt service fund, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Penasco Independent School District No. 4's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Penasco Independent School District No. 4, as of June 30, 2012, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue fund 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 above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Penasco Independent School District No. 4 as of June 30, 2012, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 31 2012, on our consideration of the Penasco Independent School District No. 4'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* and should be considered in conjunction with this report in assessing the results of our audit.

Hector H. Balderas, State Auditor
And the Board of Education of
Penasco Independent School District No. 4

Management has omitted the MD&A which is required to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by GASB 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. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A- 133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The additional schedules listed as “other supplemental information” in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 taken as a whole.



October 31, 2012
Farmington, NM

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

STATEMENT OF NET ASSETS
June 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,060,021
Receivables:	
Delinquent property taxes receivable	67,757
Grant	221,356
Due from other governments	4,768
Deferred bond issuance costs	64,657
Food inventory	25,866
Non-current:	
Non-depreciable assets	1,531,311
Depreciable capital assets, net	<u>10,230,832</u>
Total assets	<u>14,206,568</u>
LIABILITIES	
Accounts payable	9,510
Accrued interest	31,463
Deferred grant revenue	3,269
Deposits held for others	60
Compensated absences	51,441
Noncurrent liabilities:	
Due within one year	85,000
Due in more than one year	<u>2,098,852</u>
Total liabilities	<u>2,279,595</u>
NET ASSETS	
Invested in capital assets, net of related debt	9,675,172
Restricted for:	
Inventories	25,866
Special revenue funds	318,120
Capital projects	1,371,948
Debt service	181,607
Unrestricted	<u>354,260</u>
Total net assets	<u>\$ 11,926,973</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>	
Primary government:						
Governmental activities:						
Instruction	\$ 3,371,906	\$ 18,095	\$ 428,200	\$ 560,069	\$ (2,365,542)	
Support Services - Students	978,946	55,943	124,317	162,601	(636,085)	
Support Services - Instruction	74,574	-	9,470	12,387	(52,717)	
Support Services - General Administrati	208,240	-	26,444	34,588	(147,208)	
Support Services - School Administration	417,270	-	52,989	69,308	(294,973)	
Central Services	286,435	-	36,374	-	(250,061)	
Operations & Maintenance of Plant	1,004,455	-	127,556	-	(876,899)	
Student Transportation	286,935	-	231,578	-	(55,357)	
Other Support Services	18,181	-	2,309	-	(15,872)	
Food Services	370,427	4,253	277,512	-	(88,662)	
Community Services	17,024	-	2,162	-	(14,862)	
Bond interest paid	99,201	-	-	-	(99,201)	
Total governmental activities	\$ 7,133,594	\$ 78,291	\$ 1,318,911	\$ 838,953	(4,897,439)	
General revenues:						
Property Taxes:						
General purposes						8,911
Debt service						129,993
Grants and contributions not restricted						4,772,840
Unrestricted investment earnings						399
Total general revenues						4,912,143
Change in net assets						14,704
Net assets - beginning						11,912,269
Net assets - ending						\$ 11,926,973

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2012

	General <u>Fund</u>	Title I <u>Fund #24101</u>	21st Century Community Learning Centers <u>Fund #24119</u>
ASSETS			
Pooled cash and investments	\$ 200,475	\$ -	\$ -
Receivables:			
Delinquent property taxes	2,626	-	-
Grant	-	82,148	32,943
Due from other governments	182	-	-
Due from other funds	208,116	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 411,399</u>	<u>\$ 82,148</u>	<u>\$ 32,943</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 3,175	\$ -	\$ 318
Due to other funds	-	82,148	32,625
Deposits held for others	60	-	-
Deferred revenue:			
Federal, state, and local grants	-	-	-
Delinquent property taxes	<u>2,463</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,698</u>	<u>82,148</u>	<u>32,943</u>
Fund balance:			
Non-spendable:			
Inventories	-	-	-
Restricted for:			
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Debt service	-	-	-
Unassigned	<u>405,701</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>405,701</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 411,399</u>	<u>\$ 82,148</u>	<u>\$ 32,943</u>

(continued)

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2011

	Bond Building Fund #31100	Public School Capital Outlay Fund #31200	Debt Service Fund #41000	Other Governmental Funds	Total Governmental Funds
ASSETS					
Pooled cash and investments	\$ 1,189,179	\$ -	\$ 174,368	\$ 495,999	\$ 2,060,021
Receivables:					
Delinquent property taxes	-	-	56,002	9,129	67,757
Grant	-	-	-	106,265	221,356
Due from other governments	-	-	3,935	651	4,768
Due from other funds	-	-	-	-	208,116
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,866</u>	<u>25,866</u>
Total assets	<u>\$ 1,189,179</u>	<u>\$ -</u>	<u>\$ 234,305</u>	<u>\$ 637,910</u>	<u>\$ 2,587,884</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 6,017	\$ 9,510
Due to other funds	-	-	-	93,343	208,116
Deposits held for others	-	-	-	-	60
Deferred revenue:					
Federal, state, and local grants	-	-	-	3,269	3,269
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>52,698</u>	<u>8,526</u>	<u>63,687</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>52,698</u>	<u>111,155</u>	<u>284,642</u>
Fund balance:					
Non-spendable:					
Inventories	-	-	-	25,866	25,866
Restricted for:					
Special revenue funds	-	-	-	318,120	318,120
Capital projects funds	1,189,179	-	-	182,769	1,371,948
Debt service	-	-	181,607	-	181,607
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>405,701</u>
Total fund balance	<u>1,189,179</u>	<u>-</u>	<u>181,607</u>	<u>526,755</u>	<u>2,303,242</u>
Total liabilities and fund balance	<u>\$ 1,189,179</u>	<u>\$ -</u>	<u>\$ 234,305</u>	<u>\$ 637,910</u>	<u>\$ 2,587,884</u>

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

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STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

RECONCILIATION OF THE BALANCE SHEET - ALL
GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS

June 30, 2012

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

Fund balances - total governmental funds	\$	2,303,242
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		27,250,907
Accumulated depreciation		(15,488,764)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		63,687
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Bonds payable		(2,150,000)
Accrued interest payable		(31,463)
Accrued vacation payable		(51,441)
Bond issue costs		64,657
Bond premiums		<u>(33,852)</u>
Net assets of governmental activities	\$	<u>11,926,973</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2012

	General Fund	Title I Fund #24101	21st Century Community Learning Centers Fund #24119	Bond Building Fund #31100
Revenues:				
Federal sources:				
Public Law 874	\$ 37,519	\$ -	\$ -	\$ -
Forest reserve	26,216	-	-	-
Federal flowthrough grants	539	148,886	117,329	-
Federal direct grants	18,851	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State equalization guarantee	4,662,039	-	-	-
Transportation	231,578	-	-	-
State instructional material	18,889	-	-	-
State grant	5,658	-	-	41,856
Local sources:				
Grant	20,350	-	-	-
District school tax levy	8,485	-	-	-
Fees and activities	18,095	-	-	-
Earnings from investments	399	-	-	855
Miscellaneous	37,495	-	-	-
Total revenue	<u>5,086,113</u>	<u>148,886</u>	<u>117,329</u>	<u>42,711</u>
Expenditures:				
Current:				
Instruction	2,500,247	110,965	85,777	-
Support Services:				
Students	687,783	-	-	-
Instruction	55,036	-	-	-
General Administration	160,772	7,352	5,519	-
School Administration	316,439	30,569	26,033	-
Central Services	256,985	-	-	-
Operation & Maintenance of Plant	838,250	-	-	-
Student Transportation	252,401	-	-	-
Other Support Services	16,320	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	180,571
Debt service:				
Principal retirement	-	-	-	-
Bond interest paid	-	-	-	-
Total expenditures	<u>5,084,233</u>	<u>148,886</u>	<u>117,329</u>	<u>180,571</u>
Excess (deficiency) of revenues over expenditures	1,880	-	-	(137,860)
Fund balance at beginning of the year	403,821	-	-	1,327,039
Fund balance at end of the year	<u>\$ 405,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,189,179</u>

(continued)

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Public School Capital Outlay Fund #31200	Debt Service Fund #41000	Other Governmental Funds	Total Governmental Funds
Revenues:				
Federal sources:				
Public Law 874	\$ -	\$ -	\$ 9,571	\$ 47,090
Forest reserve	-	-	-	26,216
Federal flowthrough grants	-	-	163,043	429,797
Federal direct grants	-	-	217,703	236,554
USDA Commodities	-	-	16,797	16,797
State sources:				
State equalization guarantee	-	-	-	4,662,039
Transportation	-	-	-	231,578
State instructional material	-	-	-	18,889
State grant	796,242	-	66,618	910,374
Local sources:				
Grant	-	-	29,964	50,314
District school tax levy	-	141,761	7,180	157,426
Fees and activities	-	-	60,196	78,291
Earnings from investments	-	-	-	1,254
Miscellaneous	-	-	-	37,495
Total revenue	<u>796,242</u>	<u>141,761</u>	<u>831,787</u>	<u>7,164,829</u>
Expenditures:				
Current:				
Instruction	-	-	329,692	3,026,681
Support Services:				
Students	-	-	190,936	878,719
Instruction	-	-	7,235	62,271
General Administration	-	1,461	11,816	186,920
School Administration	-	-	1,508	374,549
Central Services	-	-	124	257,109
Operation & Maintenance of Plant	-	-	63,366	901,616
Student Transportation	-	-	5,157	257,558
Other Support Services	-	-	-	16,320
Food Services Operations	-	-	332,502	332,502
Community Services	-	-	15,281	15,281
Capital outlay	796,242	-	185,104	1,161,917
Debt service:				
Principal retirement	-	80,000	-	80,000
Bond interest paid	-	96,703	-	96,703
Total expenditures	<u>796,242</u>	<u>178,164</u>	<u>1,142,721</u>	<u>7,648,146</u>
Excess (deficiency) of revenues over expenditures	-	(36,403)	(310,934)	(483,317)
Fund balance at beginning of the year	<u>-</u>	<u>218,010</u>	<u>837,689</u>	<u>2,786,559</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ 181,607</u>	<u>\$ 526,755</u>	<u>\$ 2,303,242</u>

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

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STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2012

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

Net change in fund balance - total governmental funds	\$	(483,317)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year</p>		
Capital outlay		1,161,917
Depreciation		(720,199)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
<p style="padding-left: 20px;">Deferred property taxes at:</p>		
June 30, 2011		(82,209)
June 30, 2012		63,687
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar, items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Current year principal payments		80,000
Issuance cost amortization		(3,803)
Bond premium amortization		1,991
<p>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 the governmental funds.</p>		
<p style="padding-left: 20px;">Compensated absences at:</p>		
June 30, 2011		46,773
June 30, 2012		(51,441)
<p style="padding-left: 20px;">Accrued interest at:</p>		
June 30, 2011		32,768
June 30, 2012		<u>(31,463)</u>
Change in net assets of governmental activities	\$	<u>14,704</u>

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

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STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Public Law 874	\$ 49,415	\$ 49,415	\$ 37,519	\$ (11,896)
Forest reserve	24,714	24,714	26,216	1,502
Federal grant	-	-	18,851	18,851
Federal direct grant	-	-	539	539
State sources:				
State equalization guarantee	4,635,294	4,652,192	4,662,039	9,847
Transportation	270,407	231,578	231,578	-
State instructional material	17,391	18,890	18,889	(1)
State grant	10,000	14,126	5,658	(8,468)
Local sources:				
Grant	4,237	4,237	20,350	16,113
District school tax levy	8,576	8,576	8,546	(30)
Fees and activities	4,298	4,298	18,095	13,797
Earnings from investments	600	600	399	(201)
Miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>37,495</u>	<u>35,995</u>
Total revenues	<u>5,026,432</u>	<u>5,010,126</u>	<u>5,086,174</u>	<u>76,048</u>
Expenditures:				
Current:				
Instruction	2,598,489	2,597,292	2,500,145	97,147
Support Services:				
Students	720,676	706,708	687,783	18,925
Instruction	52,573	57,837	55,036	2,801
General Administration	234,465	214,573	163,845	50,728
School Administration	334,847	323,846	316,439	7,407
Central Services	251,110	264,624	257,007	7,617
Operation & Maintenance of Plant	821,603	859,291	843,688	15,603
Student Transportation	274,912	254,338	252,601	1,737
Other Support Services	10,715	19,597	18,861	736
Capital outlay:				
Equipment	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,314,390</u>	<u>5,298,106</u>	<u>5,095,405</u>	<u>202,701</u>
Excess (deficiency) of revenues over expenditures	(287,958)	(287,980)	(9,231)	278,749
Beginning cash balance budgeted	287,958	287,980	-	(287,980)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>403,821</u>	<u>403,821</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>394,590</u>	<u>\$ 394,590</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			405	
Change in due from other governments			(40)	
Change in payables			11,172	
Change in deferred property taxes			<u>(426)</u>	
			<u>\$ 405,701</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

TITLE I SPECIAL REVENUE FUND - NO. 24101
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual Amounts <u>(Budgetary Basis)</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive <u>(Negative)</u>
Revenues:				
Federal sources:				
Federal grant	\$ 155,499	\$ 168,418	\$ 73,396	\$ (95,022)
Expenditures:				
Current:				
Instruction	117,882	127,804	110,965	16,839
Support Services:				
General Administration	7,672	8,344	7,352	992
School Administration	<u>29,945</u>	<u>32,270</u>	<u>30,569</u>	<u>1,701</u>
Total expenditures	<u>155,499</u>	<u>168,418</u>	<u>148,886</u>	<u>19,532</u>
Excess (deficiency) of revenues over expenditures	-	-	(75,490)	(75,490)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>(75,490)</u>	<u>\$ (75,490)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>75,490</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

21ST CENTURY COMMUNITY LEARNING CENTERS SPECIAL REVENUE FUND - NO. 24119

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 112,800	\$ 170,613	\$ 140,100	\$ (30,513)
Expenditures:				
Current:				
Instruction	75,967	126,205	86,697	39,508
Support Services:				
General Administration	8,865	11,541	5,519	6,022
School Administration	27,968	32,867	26,033	6,834
Total expenditures	112,800	170,613	118,249	52,364
Excess of revenues over expenditures	-	-	21,851	21,851
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	21,851	\$ 21,851
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(22,770)	
Change in payables			919	
			\$ -	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2012

ASSETS

Pooled cash and investments	\$ <u>100,964</u>
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LIABILITIES

Deposits held for others	\$ <u>100,964</u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

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STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Penasco Independent School District (District) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the Town of Penasco, New Mexico and the surrounding areas. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, no component units or fiduciary units were included in the financial statements.

GAAP requires that financial statements present the District (primary government) and its component units. The District has no component units that are required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 89, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*.

1. Blended Component Units

The District does not have any component units reported as blended component units.

2. Discretely Presented Component Units

The District does not have any component units reported as discretely presented component units.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Penasco Independent School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of inter-fund activity has been removed from these statements.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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, net of estimated refunds and estimated uncollectable amounts, 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 provider have been met.

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

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The government reports the following major governmental funds:

General Fund: The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Title I Special Revenue Fund – To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

21st Century Community Learning Centers Special Revenue Fund – To create community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low-performing schools. The program is intended to help students meet state and local student standards in core academic subjects, such as reading and math; offers students a broad array of enrichment activities that should complement their regular academic programs; and offers literacy and other educational services to the families of participating children. Authorization: Elementary and Secondary Education Act of 1965, as amended, Title IV, Part B.

Bond Building Capital Projects Fund: This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

Debt Service Fund: This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Additionally, the government reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources – which are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds – Fiduciary Funds are the agency funds used to account for financial resources used by the student activity groups for which the District has stewardship

Similar to private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, and Net Assets or Equity

1. *Deposits and investments*

The government'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 investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

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

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

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

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

The District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the School District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectible amounts has not been recorded.

3. *Inventories*

USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The costs of library books are not depreciated unless the individual cost is in excess of \$5,000. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

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

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Building improvements	20
Land Improvements	10-20
Vehicles	5-7
Office equipment	5
Computer equipment	3-5

5. *Compensated absences*

It is the District's policy to permit employees to accumulate 40 days of earned but unused vacation, which will be paid to employees upon separation from the District's service. The amount for liability has been reported in the government-wide financial statements.

Sick pay does not vest and is recorded as expenditures when it is paid.

6. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized 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 capital projects expenditures.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

7. *Fund balance*

Non-Spendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the District's Board of Education should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the District's 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 did not have committed fund balances for the year ended June 30, 2012.

Assigned

Assigned fund balance includes (a) all remaining amounts, except for negative balances, that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed and amounts in the general fund that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent, and removal of, is expressed by the Board of Education or the Finance Committee. The District did not have assigned fund balances for the year ended June 30, 2012.

Unassigned

The remaining fund balance, after all other classifications, within the general fund is reported as unassigned fund balance. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative fund balance will be reported as unassigned fund balance.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

When committed, assigned, and unassigned resources are available for use, it is the District's policy to use committed first followed by assigned and unassigned resources as they are needed.

8. *Net assets*

Net assets are presented on the statement of net assets and may be presented in any of three components.

a. Invested in capital assets, net of related debt

This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted net assets

Net assets are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

c. Unrestricted net assets

Unrestricted net assets consist of net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted."

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

In the governmental environment, net assets often are designated to indicate that management does not consider them to be available for general operations. In contrast to restricted net assets, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

9. *Indirect Costs*

The District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

10. *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.

11. *Revenues*

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$4,662,039 in state equalization guarantee distributions during the year ended June 30, 2012.

Transportation Distribution: School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$231,578 in transportation distributions during the year ended June 30, 2012.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the Public School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

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

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

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

**STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4**

Notes to the Financial Statements
June 30, 2012

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2012 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 5,314,390	\$ 5,298,106
Special Revenue Fund	1,139,426	1,867,685
Capital Projects Fund	2,914,115	3,074,302
Debt Service Fund	335,498	335,498
Totals	\$ 9,703,429	\$ 10,575,591

B. Budgetary Violations

The District did not exceed its legal budget in any individual funds during the year ended June 30, 2012.

C. Deficit fund equity

There were not any deficit fund balances as of June 30, 2012.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2012, the carrying amount of the District's deposits was \$2,160,985 and the bank balance was \$2,581,424 with the difference consisting of outstanding checks and deposits. Of this balance \$1,007,606 was covered by federal depository insurance and \$1,393,556 was covered by collateral held in joint safekeeping by a third party.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Temporary Investments (continued)

Investments held by the New Mexico State Treasurer are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the direct obligations of the United States government or are agencies sponsored by the United States government. The pool does not have unit shares. Per Section 6-10-10.1(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the local government investment pool is voluntary.

As of June 30, 2012, the District's deposits held by the New Mexico State treasurer were \$3,055.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2012, \$180,262 of the District's bank balance of \$2,581,424 was exposed to custodial risk as follows:

Uninsured and uncollateralized	\$	180,262
Uninsured and collateral held by pledging bank's trust dept not in the District's name		1,393,556
Total uninsured		1,573,818
Insured (FDIC)		1,007,606
Total deposits	\$	2,581,424
State of New Mexico collateral requirement:		
50% of uninsured public fund bank deposits	\$	786,909
Pledged security		1,393,556
Under collateralization	\$	606,647

The collateral pledged is listed on Page 111 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.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Temporary Investments (continued)

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing “Now” accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. As of December 31, 2011, all noninterest bearing transaction accounts held by FDIC insured institutions are fully insured. This will continue to be in effect until December 31, 2012.

B. Receivables

Receivables as of year-end for the government’s individual major funds and non-major funds in the aggregate, including the following:

	Receivables		Due from Other	
	Delinquent Property		Governments	Funds
	Taxes	Grant		
Major Funds:				
General	\$ 2,626	\$ -	\$ 182	\$ 208,116
Title I	-	82,148	-	-
21st Century Community Learning Center	-	32,943	-	-
Bond Building	-	-	-	-
Debt Service Fund	56,002	-	3,935	-
Other Governmental Funds	9,129	106,265	651	-
Total	\$ 67,757	\$ 221,356	\$ 4,768	\$ 208,116

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Receivables (continued)

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
Other Governmental Funds	\$ -	\$ 3,269
Delinquent property taxes		
General Fund	2,463	-
Debt Service Fund	52,698	-
Other Governmental Funds	<u>8,526</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 63,687</u>	<u>\$ 3,269</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,531,311	\$ -	\$ -	\$ 1,531,311
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, not being depreciated	<u>1,531,311</u>	<u>-</u>	<u>-</u>	<u>1,531,311</u>
Capital assets, being depreciated:				
Land improvements	1,198,995	425,018	-	1,624,013
Buildings and improvements	22,509,046	698,108	-	23,207,154
Furniture, fixtures, and equipment	<u>849,638</u>	<u>38,791</u>	<u>-</u>	<u>888,429</u>
Total capital assets being depreciated	<u>24,557,679</u>	<u>1,161,917</u>	<u>-</u>	<u>25,719,596</u>
Less accumulated depreciation for:				
Land improvements	(289,035)	(78,803)	-	(367,838)
Buildings and improvements	(13,825,338)	(585,912)	-	(14,411,250)
Furniture, fixtures, and equipment	<u>(654,192)</u>	<u>(55,484)</u>	<u>-</u>	<u>(709,676)</u>
Total accumulated depreciation	<u>(14,768,565)</u>	<u>(720,199)</u>	<u>-</u>	<u>(15,488,764)</u>
Total capital assets being depreciated, net	<u>9,789,114</u>	<u>441,718</u>	<u>-</u>	<u>10,230,832</u>
Total capital assets, net	<u>\$ 11,320,425</u>	<u>\$ 441,718</u>	<u>\$ -</u>	<u>\$ 11,762,143</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

Depreciation has been allocated to the functions by the following amounts:

Instruction	\$	345,225
Support Services - Students		100,227
Support Services - Instruction		7,635
Support Services - General Administration		21,320
Support Services - School Administration		42,721
Central Services		29,326
Operations & Maintenance of Plant		102,839
Student Transportation		29,377
Other Support Services		1,861
Food Services		37,925
Community Services		<u>1,743</u>
Total Depreciation Expense	\$	<u><u>720,199</u></u>

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

Construction commitments

The District is involved in several long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$1,371,948 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

D. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2012 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 208,116	\$ -
Title I	-	82,148
21st Century Community Learning Center	-	32,625
Other Governmental Funds	<u>-</u>	<u>93,343</u>
Total deferred/unearned revenue for governmental funds	<u><u>\$ 208,116</u></u>	<u><u>\$ 208,116</u></u>

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. All loans are expected to be repaid within the next fiscal year.

**STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4**

Notes to the Financial Statements
June 30, 2012

III. DETAILED NOTES ON ALL FUNDS (continued)

E. Inter-Fund Transfers

There were not any inter-fund transfers during the year ended June 30, 2012.

F. Long-Term Debt

General Obligation Bonds

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds and notes as of June 30, 2012 are as follows:

<u>General Obligations Bonds</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2012</u>	<u>Amount Due Within One Year</u>
Series 2009	\$ 2,230,000	3.75% to 5.15%	\$ 2,150,000	\$ 85,000

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2013	\$ 85,000	\$ 93,402	\$ 178,402
2014	90,000	89,903	179,903
2015	95,000	86,321	181,321
2016	95,000	82,759	177,759
2017	100,000	78,977	178,977
2018 - 2022	590,000	327,477	917,477
2023 - 2027	745,000	180,624	925,624
2028 - 2032	350,000	18,282	368,282
Total	<u>\$ 2,150,000</u>	<u>\$ 957,745</u>	<u>\$ 3,107,745</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

III. DETAILED NOTES ON ALL FUNDS (continued)

G. Long-Term Debt (continued)

Changes in long term debt – During the year ended June 30, 2012 the following changes occurred in liabilities reported in the general obligation bonds account group:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>	<u>Amount Due Within One Year</u>
Compensated absences:					
Compensated vacation	\$ 46,773	\$ 21,251	\$ 16,583	\$ 51,441	\$ 51,441
Bonds payable	<u>2,230,000</u>	<u>-</u>	<u>80,000</u>	<u>2,150,000</u>	<u>85,000</u>
	<u>\$ 2,276,773</u>	<u>\$ 21,251</u>	<u>\$ 96,583</u>	<u>\$ 2,201,441</u>	<u>\$ 136,441</u>

	Balance <u>June 30, 2012</u>
Bonds payable	\$ 2,150,000
Less: current maturities	(85,000)
Unamortized:	
Bond premiums	<u>33,852</u>
Total non-current liabilities	<u>\$ 2,098,852</u>

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service fund.

IV. OTHER INFORMATION

A. 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; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2012.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

IV. OTHER INFORMATION (continued)

B. Contingent Liabilities

Amounts received or receivable from grant 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 that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

C. Employee Retirement Plan

Plan Description - Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes the financial statements and required supplementary information for the plan. That report may be obtained by writing to:

ERB
P.O. Box 26129
Santa Fe, New Mexico 87502-6129
www.nmerb.org

Funding Policy - Effective July 1, 2010 through June 30, 2012, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2012 plan members are required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to the ERB for the years ended June 30, 2012, 2011 and 2010 were \$328,705, \$388,013, and \$426,737, respectively, equal to the amount of the required contribution for the year.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

IV. OTHER INFORMATION (continued)

D. Post-Retirement Health Care Benefits

Plan Description – Penasco Independent School District No. 4's contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are:

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

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

Retiree Health Care Authority
4308 Carlisle NE, Suite 104
Albuquerque, NM 87107

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes to the Financial Statements
June 30, 2012

IV. OTHER INFORMATION (continued)

D. Post-Retirement Health Care Benefits (continued)

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. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending June 30, 2013 the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2012-2013	2.000%	1.000%

Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

Penasco Independent School District No. 4's contributions to the RHCA for the years ended June 30, 2012, 2011, and 2010 were \$63,505, \$57,449, and \$50,206, respectively, which equal the required contributions for each year.

E. Cash Flows

The District operates on primarily on reimbursement grants. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District cash flows and the ability to deliver educational services to the community in an effective manner.

F. Subsequent Events

Subsequent events were evaluated through October 31, 2012, which is the date the financial statements were available to be issued.

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STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GENERAL FUNDS
Year Ended June 30, 2012

OPERATING FUND

The government's primary fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TRANSPORTATION FUND

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

INSTRUCTIONAL MATERIALS FUND

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GENERAL FUND
Combining Balance Sheet
June 30, 2012

	General Funds			
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	Total General Funds
ASSETS				
Pooled cash and investments	\$ 193,400	\$ 44	\$ 7,031	\$ 200,475
Receivables:				
Delinquent property taxes	2,626	-	-	2,626
Due from other governments	182	-	-	182
Due from other funds	208,116	-	-	208,116
Total assets	\$ 404,324	\$ 44	\$ 7,031	\$ 411,399
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 3,175	\$ -	\$ -	\$ 3,175
Deposits held for others	60	-	-	60
Deferred revenue:				
Delinquent property taxes	2,463	-	-	2,463
Total liabilities	5,698	-	-	5,698
Fund balance:				
Unassigned	398,626	44	7,031	405,701
Total liabilities and fund balance	\$ 404,324	\$ 44	\$ 7,031	\$ 411,399

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GENERAL FUND
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2012

	General Funds			Total General <u>Fund</u>
	Operational	Transportation	Instructional	
	<u>Fund #11000</u>	<u>Fund #13000</u>	<u>Fund #14000</u>	
Revenues:				
Federal sources:				
Public Law 874	\$ 37,519	\$ -	\$ -	\$ 37,519
Forest reserve	26,216	-	-	26,216
Federal flowthrough grants	539	-	-	539
Federal direct grants	18,851	-	-	18,851
State sources:				
State equalization guarantee	4,662,039	-	-	4,662,039
Transportation	-	231,578	-	231,578
State instructional material	-	-	18,889	18,889
State grant	1,532	4,126	-	5,658
Local sources:				
Grant	20,350	-	-	20,350
District school tax levy	8,485	-	-	8,485
Fees and activities	18,095	-	-	18,095
Earnings from investments	399	-	-	399
Miscellaneous	<u>37,495</u>	<u>-</u>	<u>-</u>	<u>37,495</u>
Total revenue	<u>4,831,520</u>	<u>235,704</u>	<u>18,889</u>	<u>5,086,113</u>
Expenditures:				
Current:				
Instruction	2,481,973	-	18,274	2,500,247
Support Services:				
Students	687,783	-	-	687,783
Instruction	55,036	-	-	55,036
General Administration	160,772	-	-	160,772
School Administration	316,439	-	-	316,439
Central Services	256,985	-	-	256,985
Operation & Maintenance of Plant	838,250	-	-	838,250
Student Transportation	16,892	235,509	-	252,401
Other Support Services	<u>16,320</u>	<u>-</u>	<u>-</u>	<u>16,320</u>
Total expenditures	<u>4,830,450</u>	<u>235,509</u>	<u>18,274</u>	<u>5,084,233</u>
Excess of revenues over expenditures	1,070	195	615	1,880
Fund balance at beginning of the year	<u>397,556</u>	<u>(151)</u>	<u>6,416</u>	<u>403,821</u>
Fund balance at end of the year	<u>\$ 398,626</u>	<u>\$ 44</u>	<u>\$ 7,031</u>	<u>\$ 405,701</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

OPERATIONAL FUND - NO. 11000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Public Law 874	\$ 49,415	\$ 49,415	\$ 37,519	\$ (11,896)
Forest reserve	24,714	24,714	26,216	1,502
Federal grant	-	-	18,851	18,851
Federal direct grant	-	-	539	539
State sources:				
State equalization guarantee	4,635,294	4,652,192	4,662,039	9,847
State grant	10,000	10,000	1,532	(8,468)
Local sources:				
Grant	4,237	4,237	20,350	16,113
District school tax levy	8,576	8,576	8,546	(30)
Fees and activities	4,298	4,298	18,095	13,797
Earnings from investments	600	600	399	(201)
Miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>37,495</u>	<u>35,995</u>
Total revenues	<u>4,738,634</u>	<u>4,755,532</u>	<u>4,831,581</u>	<u>76,049</u>
Expenditures:				
Current:				
Instruction	2,574,682	2,571,986	2,481,871	90,115
Support Services:				
Students	720,676	706,708	687,783	18,925
Instruction	52,573	57,837	55,036	2,801
General Administration	234,465	214,573	163,845	50,728
School Administration	334,847	323,846	316,439	7,407
Central Services	251,110	264,624	257,007	7,617
Operation & Maintenance of Plant	821,603	859,291	843,688	15,603
Student Transportation	19,505	18,612	16,892	1,720
Other Support Services	<u>10,715</u>	<u>19,597</u>	<u>18,861</u>	<u>736</u>
Total expenditures	<u>5,020,176</u>	<u>5,037,074</u>	<u>4,841,422</u>	<u>195,652</u>
Excess (deficiency) of revenues over expenditures	(281,542)	(281,542)	(9,841)	271,701
Beginning cash balance budgeted	281,542	281,542	-	(281,542)
Fund balance at beginning of the year	-	-	<u>397,556</u>	<u>397,556</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	387,715	<u>\$ 387,715</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			405	
Change in due from other governments			(40)	
Change in payables			10,972	
Change in deferred property taxes			<u>(426)</u>	
			<u>\$ 398,626</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

TRANSPORTATION FUND - NO. 13000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 270,407	\$ 231,578	\$ 231,578	\$ -
State grant	<u>-</u>	<u>4,126</u>	<u>4,126</u>	<u>-</u>
Total revenues	<u>270,407</u>	<u>235,704</u>	<u>235,704</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Student Transportation	255,407	235,726	235,709	17
Capital outlay:				
Equipment	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>270,407</u>	<u>235,726</u>	<u>235,709</u>	<u>17</u>
Excess (deficiency) of revenues over expenditures	-	(22)	(5)	17
Beginning cash balance budgeted	-	22	-	(22)
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>(151)</u>	<u>(151)</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>(156)</u>	<u>\$ (156)</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>200</u>	
			<u>\$ 44</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

INSTRUCTIONAL MATERIALS FUND - NO. 14000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State instructional material	\$ 17,391	\$ 18,890	\$ 18,889	\$ (1)
 Expenditures:				
Current:				
Instruction	<u>23,807</u>	<u>25,306</u>	<u>18,274</u>	<u>7,032</u>
Excess (deficiency) of revenues over expenditures	(6,416)	(6,416)	615	7,031
Beginning cash balance budgeted	6,416	6,416	-	(6,416)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>6,416</u>	<u>6,416</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	7,031	<u>\$ 7,031</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 7,031</u>	

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2012

	Special Revenue Funds					
	Food Service	Athletics	Entitlement IDEA-B	Preschool IDEA-B	Title III English Language	Teacher/Principal Training
	<u>Fund #21000</u>	<u>Fund #22000</u>	<u>Fund #24106</u>	<u>Fund #24109</u>	<u>Fund #24153</u>	<u>Fund #24154</u>
ASSETS						
Pooled cash and investments	\$ 29,878	\$ 44,268	\$ -	\$ -	\$ -	\$ -
Receivables:						
Delinquent property taxes	-	-	-	-	-	-
Grant	12,599	-	21,051	5,253	2,408	7,483
Due from other governments	-	-	-	-	-	-
Food inventory	<u>25,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 68,343</u>	<u>\$ 44,268</u>	<u>\$ 21,051</u>	<u>\$ 5,253</u>	<u>\$ 2,408</u>	<u>\$ 7,483</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 3,400	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	21,051	5,253	2,408	7,483
Deferred revenue:						
Federal, state, and local grants	-	-	-	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,400</u>	<u>-</u>	<u>21,051</u>	<u>5,253</u>	<u>2,408</u>	<u>7,483</u>
Fund balance:						
Non-spendable:						
Inventories	25,866	-	-	-	-	-
Restricted for:						
Special revenue funds	39,077	44,268	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>64,943</u>	<u>44,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 68,343</u>	<u>\$ 44,268</u>	<u>\$ 21,051</u>	<u>\$ 5,253</u>	<u>\$ 2,408</u>	<u>\$ 7,483</u>

(continued)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2012

Special Revenue Funds

	<u>Rural & Low- Income Schools Fund #24160</u>	<u>ARRA - Title I Fund #24201</u>	<u>ARRA - Entitlement IDEA-B Fund #24206</u>	<u>ARRA - Preschool IDEA-B Fund #24209</u>	<u>Impact Aid Special Education Fund #25145</u>	<u>Impact Aid Indian Education Fund #25147</u>	<u>Title XIX Medicaid Fund #25153</u>
ASSETS							
Pooled cash and investments	\$ 296	\$ -	\$ -	\$ -	\$ 11,831	\$ 68,293	\$ 104,066
Receivables:							
Delinquent property taxes	-	-	-	-	-	-	-
Grant	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,831</u>	<u>\$ 68,293</u>	<u>\$ 104,066</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Deferred revenue:							
Federal, state, and local grants	296	-	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:							
Non-spendable:							
Inventories	-	-	-	-	-	-	-
Restricted for:							
Special revenue funds	-	-	-	-	11,831	68,293	104,066
Capital projects funds	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,831</u>	<u>68,293</u>	<u>104,066</u>
Total liabilities and fund balance	<u>\$ 296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,831</u>	<u>\$ 68,293</u>	<u>\$ 104,066</u>

(continued)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2012

	<u>Special Revenue Funds</u>							
	Child & Adult Food Program Fund #25171	Indian Ed Formula Grant Fund #25184	Elementary School Counseling Fund #25215	ARRA - State Revitalization Fund #25250	Education Jobs Fund #25255	LANL Foundation Fund #26113	Drawing from the Well Fund #26147	Dual Credit Instructional Materials Fund #27103
ASSETS								
Pooled cash and investments	\$ 138	\$ -	\$ -	\$ -	\$ -	\$ 44,305	\$ 4,662	\$ -
Receivables:								
Delinquent property taxes	-	-	-	-	-	-	-	-
Grant	-	5,143	21,469	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-
Total assets	<u>\$ 138</u>	<u>\$ 5,143</u>	<u>\$ 21,469</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,305</u>	<u>\$ 4,662</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 323	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	5,143	21,146	-	-	-	-	-
Deferred revenue:								
Federal, state, and local grants	138	-	-	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-	-	-	-
Total liabilities	<u>138</u>	<u>5,143</u>	<u>21,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:								
Non-spendable:								
Inventories	-	-	-	-	-	-	-	-
Restricted for:								
Special revenue funds	-	-	-	-	-	44,305	4,662	-
Capital projects funds	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,305</u>	<u>4,662</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 138</u>	<u>\$ 5,143</u>	<u>\$ 21,469</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,305</u>	<u>\$ 4,662</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2012

	Special Revenue Funds							
	Go Bond Library Fund #27105	Libraries GO Bond 2010 Fund #27106	Beginning Teacher Mentoring Fund #27154	Breakfast for Elementary Students Fund #27155	K-Plus Initiative Fund #27159	State Discretionary IDEA-B Fund #27200	Library Books Fund #27549	No Kid Hungry Fund #29102
ASSETS								
Pooled cash and investments	\$ -	\$ -	\$ -	\$ 2,835	\$ -	\$ -	\$ 3	\$ 1,615
Receivables:								
Delinquent property taxes	-	-	-	-	-	-	-	-
Grant	1,727	-	1,472	-	13,167	14,493	-	-
Due from other governments	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-
Total assets	\$ 1,727	\$ -	\$ 1,472	\$ 2,835	\$ 13,167	\$ 14,493	\$ 3	\$ 1,615
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,727	-	1,472	-	13,167	14,493	-	-
Deferred revenue:								
Federal, state, and local grants	-	-	-	2,835	-	-	-	-
Delinquent property taxes	-	-	-	-	-	-	-	-
Total liabilities	1,727	-	1,472	2,835	13,167	14,493	-	-
Fund balance:								
Non-spendable:								
Inventories	-	-	-	-	-	-	-	-
Restricted for:								
Special revenue funds	-	-	-	-	-	-	3	1,615
Capital projects funds	-	-	-	-	-	-	-	-
Total fund balance	-	-	-	-	-	-	3	1,615
Total liabilities and fund balance	\$ 1,727	\$ -	\$ 1,472	\$ 2,835	\$ 13,167	\$ 14,493	\$ 3	\$ 1,615

(continued)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2012

	Capital Projects Funds						
	Total Non-Major Special Revenue Funds	Special Capital Outlay - State Fund #31400	Capital Improvements SB-9 Fund #31700	Public School Capital Outlay - 20% Fund #32100	Total Non-Major Capital Projects Funds	Total Nonmajor Governmental Funds	
ASSETS							
Pooled cash and investments	\$ 312,190	\$ 39,791	\$ 142,848	\$ 1,170	\$ 183,809	\$ 495,999	
Receivables:							
Delinquent property taxes	-	-	9,129	-	9,129	9,129	
Grant	106,265	-	-	-	-	106,265	
Due from other governments	-	-	651	-	651	651	
Food inventory	<u>25,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,866</u>	
Total assets	<u>\$ 444,321</u>	<u>\$ 39,791</u>	<u>\$ 152,628</u>	<u>\$ 1,170</u>	<u>\$ 193,589</u>	<u>\$ 637,910</u>	
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ 3,723	\$ -	\$ 2,294	\$ -	\$ 2,294	\$ 6,017	
Due to other funds	93,343	-	-	-	-	93,343	
Deferred revenue:							
Federal, state, and local grants	3,269	-	-	-	-	3,269	
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>8,526</u>	<u>-</u>	<u>8,526</u>	<u>8,526</u>	
Total liabilities	<u>100,335</u>	<u>-</u>	<u>10,820</u>	<u>-</u>	<u>10,820</u>	<u>111,155</u>	
Fund balance:							
Non-spendable:							
Inventories	25,866	-	-	-	-	25,866	
Restricted for:							
Special revenue funds	318,120	-	-	-	-	318,120	
Capital projects funds	<u>-</u>	<u>39,791</u>	<u>141,808</u>	<u>1,170</u>	<u>182,769</u>	<u>182,769</u>	
Total fund balance	<u>343,986</u>	<u>39,791</u>	<u>141,808</u>	<u>1,170</u>	<u>182,769</u>	<u>526,755</u>	
Total liabilities and fund balance	<u>\$ 444,321</u>	<u>\$ 39,791</u>	<u>\$ 152,628</u>	<u>\$ 1,170</u>	<u>\$ 193,589</u>	<u>\$ 637,910</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2012

	Special Revenue Funds				
	Food Service	Athletics	Entitlement IDEA-B	Preschool IDEA-B	Title III English Language
	<u>Fund #21000</u>	<u>Fund #22000</u>	<u>Fund #24106</u>	<u>Fund #24109</u>	<u>Fund #24153</u>
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	126,378	7,613	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	260,715	-	-	-	-
USDA Commodities	16,797	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	280	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	<u>4,253</u>	<u>55,943</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>281,765</u>	<u>56,223</u>	<u>126,378</u>	<u>7,613</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	-	59,748	106,723	7,613	-
Support Services:					
Students	-	-	14,506	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	124	-	-
Operation & Maintenance of Pla	-	-	-	-	-
Student Transportation	-	-	5,025	-	-
Food Services Operations	317,804	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>317,804</u>	<u>59,748</u>	<u>126,378</u>	<u>7,613</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(36,039)</u>	<u>(3,525)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of the year	100,982	47,793	-	-	-
Fund balance at end of the year	<u>\$ 64,943</u>	<u>\$ 44,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Special Revenue Funds			
	Teacher/Principal Training	Rural & Low- Income Schools	ARRA - Title I	ARRA - Entitlement IDEA-B
	<u>Fund #24154</u>	<u>Fund #24160</u>	<u>Fund #24201</u>	<u>Fund #24206</u>
Revenues:				
Federal sources:				
Public Law 874	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	29,052	-	-	-
Federal direct grants	-	-	-	-
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	-	-	-	-
Local sources:				
Grant	-	-	-	-
District school tax levy	-	-	-	-
Fees and activities	-	-	-	-
Total revenue	<u>29,052</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	26,790	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,438	-	-	-
School Administration	824	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Pla	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>29,052</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	<u>Special Revenue Funds</u>				
	ARRA - Preschool IDEA-B <u>Fund #24209</u>	Impact Aid Special Education <u>Fund #25145</u>	Impact Aid Indian Education <u>Fund #25147</u>	Title XIX Medicaid <u>Fund #25153</u>	Child & Adult Food Program <u>Fund #25171</u>
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ 1,749	\$ 7,822	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	-	-	-	70,181	7,107
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	<u>-</u>	<u>1,749</u>	<u>7,822</u>	<u>70,181</u>	<u>7,107</u>
Expenditures:					
Current:					
Instruction	-	1,907	2,834	592	-
Support Services:					
Students	-	-	-	33,229	-
Instruction	-	-	-	-	-
General Administration	-	-	-	3,460	-
School Administration	-	-	659	25	-
Central Services	-	-	-	-	-
Operation & Maintenance of Pla	-	-	-	-	-
Student Transportation	-	-	-	132	-
Food Services Operations	-	-	-	-	7,107
Community Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>1,907</u>	<u>3,493</u>	<u>37,438</u>	<u>7,107</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(158)</u>	<u>4,329</u>	<u>32,743</u>	<u>-</u>
Fund balance at beginning of the year	-	11,989	63,964	71,323	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ 11,831</u>	<u>\$ 68,293</u>	<u>\$ 104,066</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Special Revenue Funds				
	Indian Ed Formula Grant <u>Fund #25184</u>	Elementary School Counseling <u>Fund #25215</u>	ARRA - State Revitalization <u>Fund #25250</u>	Education Jobs <u>Fund #25255</u>	LANL Foundation <u>Fund #26113</u>
	Revenues:				
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	5,144	133,276	-	1,995	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	25,022
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	<u>5,144</u>	<u>133,276</u>	<u>-</u>	<u>1,995</u>	<u>25,022</u>
Expenditures:					
Current:					
Instruction	4,677	806	-	1,995	52,216
Support Services:					
Students	-	125,656	-	-	-
Instruction	-	-	-	-	-
General Administration	-	6,814	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Pla	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	467	-	-	-	14,814
Capital outlay	-	-	-	-	-
Total expenditures	<u>5,144</u>	<u>133,276</u>	<u>-</u>	<u>1,995</u>	<u>67,030</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,008)</u>
Fund balance at beginning of the year	-	-	-	-	86,313
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,305</u>

(continued)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Special Revenue Funds				
	Drawing from the Well <u>Fund #26147</u>	Dual Credit Instructional Materials <u>Fund #27103</u>	Go Bond Library <u>Fund #27105</u>	Libraries GO Bond 2010 <u>Fund #27106</u>	Beginning Teacher Mentoring <u>Fund #27154</u>
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	7,235	-	-
Local sources:					
Grant	4,662	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	4,662	-	7,235	-	-
Expenditures:					
Current:					
Instruction	-	-	-	-	-
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	7,235	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Pla	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	-	7,235	-	-
Excess (deficiency) of revenues over expenditures	4,662	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	\$ 4,662	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Special Revenue Funds				
	Breakfast for Elementary Students	K-Plus Initiative	State Discretionary IDEA-B	Library Books	No Kid Hungry
	<u>Fund #27155</u>	<u>Fund #27159</u>	<u>Fund #27200</u>	<u>Fund #27549</u>	<u>Fund #29102</u>
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	4,086	-	53,682	-	1,615
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	<u>4,086</u>	<u>-</u>	<u>53,682</u>	<u>-</u>	<u>1,615</u>
Expenditures:					
Current:					
Instruction	-	-	63,791	-	-
Support Services:					
Students	-	-	17,545	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Pla	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services Operations	7,591	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>7,591</u>	<u>-</u>	<u>81,336</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(3,505)</u>	<u>-</u>	<u>(27,654)</u>	<u>-</u>	<u>1,615</u>
Fund balance at beginning of the year	3,505	-	27,654	3	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 1,615</u>

(continued)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Total Nonmajor Special Revenue Funds	Capital Projects Funds		
		Special Capital Outlay - State Fund #31400	Capital Improvements SB-9 Fund #31700	School Capital Outlay - 20% Fund #32100
Revenues:				
Federal sources:				
Public Law 874	\$ 9,571	\$ -	\$ -	\$ -
Federal flowthrough grants	163,043	-	-	-
Federal direct grants	217,703	-	-	-
Food and milk reimbursements	260,715	-	-	-
USDA Commodities	16,797	-	-	-
State sources:				
State grant	66,618	-	-	-
Local sources:				
Grant	29,964	-	-	-
District school tax levy	-	-	7,180	-
Fees and activities	<u>60,196</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>824,607</u>	<u>-</u>	<u>7,180</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	329,692	-	-	-
Support Services:				
Students	190,936	-	-	-
Instruction	7,235	-	-	-
General Administration	11,712	-	104	-
School Administration	1,508	-	-	-
Central Services	124	-	-	-
Operation & Maintenance of Pla	-	-	63,366	-
Student Transportation	5,157	-	-	-
Food Services Operations	332,502	-	-	-
Community Services	15,281	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>185,104</u>	<u>-</u>
Total expenditures	<u>894,147</u>	<u>-</u>	<u>248,574</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(69,540)</u>	<u>-</u>	<u>(241,394)</u>	<u>-</u>
Fund balance at beginning of the year	413,526	39,791	383,202	1,170
Fund balance at end of the year	<u>\$ 343,986</u>	<u>\$ 39,791</u>	<u>\$ 141,808</u>	<u>\$ 1,170</u>

(continued)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:		
Federal sources:		
Public Law 874	\$ -	\$ 9,571
Federal flowthrough grants	-	163,043
Federal direct grants	-	217,703
Food and milk reimbursements	-	260,715
USDA Commodities	-	16,797
State sources:		
State grant	-	66,618
Local sources:		
Grant	-	29,964
District school tax levy	7,180	7,180
Fees and activities	-	60,196
Total revenue	<u>7,180</u>	<u>831,787</u>
Expenditures:		
Current:		
Instruction	-	329,692
Support Services:		
Students	-	190,936
Instruction	-	7,235
General Administration	104	11,816
School Administration	-	1,508
Central Services	-	124
Operation & Maintenance of Pla	63,366	63,366
Student Transportation	-	5,157
Food Services Operations	-	332,502
Community Services	-	15,281
Capital outlay	<u>185,104</u>	<u>185,104</u>
Total expenditures	<u>248,574</u>	<u>1,142,721</u>
Excess (deficiency) of revenues over expenditures	<u>(241,394)</u>	<u>(310,934)</u>
Fund balance at beginning of the year	424,163	837,689
Fund balance at end of the year	<u>\$ 182,769</u>	<u>\$ 526,755</u>

BUDGETARY PRESENTATION

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2012

FOOD SERVICES

This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

ATHLETICS

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

TITLE I

To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

ENTITLEMENT IDEA-B

Special Revenue Fund: The Entitlement/Discretionary IDEA-B program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

PRESCHOOL IDEA-B

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

TITLE III ENGLISH LANGUAGE

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

TEACHER/PRINCIPAL TRAINING

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

**STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4**

**NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2012**

RURAL & LOW-INCOME SCHOOLS

To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act, Title VI, Part B.

ARRA – TITLE I

Use of funds varies, depending on whether a school is operating a schoolwide program under Title I, section 1114 of ESEA or a targeted assistance program under Section 1115 of the ESEA. A school with at least a 40 percent poverty rate may choose to operate a schoolwide program under Section 1114 that allows Title I funds to be combined with other Federal, State, and local funds to upgrade the school's overall instructional program. Schoolwide program schools must receive the amount of non-Federal resources they would have received in the absence of Title I funds. All other participating schools must operate targeted assistance programs that provide extra instruction to those children failing, or most at risk of failing, to meet State academic achievement standards. Targeted assistance programs must ensure that Title I services supplement, and do not supplant the regular education programs normally provided with non-Federal funds by local educational agencies. This program is subject to non-supplanting requirements and must use a restricted indirect cost rate, which is referenced under 34 CFR 76.564-76.569. Authorization: Elementary and Secondary Education Act of 1965 (ESEA), Title I, Part A, 20 U.S.C. 6301 et seq. and the American Recovery and Reinvestment Act of 2012 (ARRA), Public Law 111-5.

ARRA – ENTITLEMENT IDEA-B

Used in accordance with the IDEA, to help provide the special education and related services needed to make a free appropriate public education available to all eligible children and, in some cases, early intervening services. Authorization: Individuals with Disabilities Education (IDEA), as amended, Part B, Section 611-618, 20 U.S.C 1411-1418; American Recovery and Reinvestment Act of 2012 (ARRA), Public Law 111-5.

ARRA – PRESCHOOL IDEA-B

To provide grants to States to assist them to make available special education and related services for children with disabilities ages 3 through 5 years, and at a State's discretion, to 2-year-old children with disabilities who will reach age three during the school year. Authorization (040): Individuals with Disabilities Education Act (IDEA), as amended, , Part B, Section 619, 20 U.S.C 1419; American Recovery and Reinvestment Act of 2011 (ARRA), Public Law 111-5.

IMPACT AID SPECIAL/INDIAN EDUCATION

To provide financial assistance to local educational agencies (LEA'S) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), where there is a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3 (b); where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

**STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4**

**NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2012**

TITLE XIX MEDICAID

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

CHILD & ADULT FOOD PROGRAM

To account for the activities of a program to provide for healthier schools by providing a health center at the schools. Funding is from the New Mexico Department of Health. The authority for creation of this fund was approved by the original budget by the Cuba Board of Education.

INDIAN ED FORMULA GRANT

The purpose of this program is to support projects which improve educational opportunities and achievement of Native American children. Funding is provided by the Federal Government, under the Elementary and Secondary Education Act of 1965, Title IX, Part A, Subpart 1, as amended, Public Law 103-382, 20 U.S.C. 7811-7818; 25 U.S.C. 2002.

ELEMENTARY SCHOOL COUNSELING

To conduct nationally significant programs to improve the quality of education, assist all students to meet challenging State content standards, and contribute to the achievement of elementary and secondary students. Authorization (040): Elementary and Secondary Education Act of 1965 (ESEA), as amended, Title V, Part D, Subpart 1.

ARRA – STATE REVITALIZATION

To support and restore funding for elementary, secondary, and postsecondary education and, as applicable, early child hood education programs and services in States and local educational agencies. Authorization: American Recovery and Reinvestment Act of 2011 (ARRA), Division A, Title XIV, Public Law 111-5.

EDUCATION JOBS

To provide funds to States to assist local educational agencies (LEAs) in saving or creating education jobs for school year 2011-2012. Authorization: Title I, Public Law 111-126.

LANL FOUNDATION

Local grant sponsored by Los Alamos National Laboratory that was used to provide a scholarship to a senior high student that was to be used in a four-year program for educational efforts in pursuing an engineering degree at a New Mexico college or university.

DRAWING FROM THE WELL

To account funds received from a State Grant to hire consultants, to purchase the updated and revised curriculum guides, and instructional material for the Drawing from the Well curriculum.

**STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4**

**NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2012**

DUAL CREDIT INSTRUCTIONAL MATERIALS

To be used for courses approved by Higher Education Department (RED) and through a college/university for which the district has an approved agreement.

GO BOND LIBRARY

To be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Funds generated by GO Bonds may not be used to supplant existing or prior library material funding within school districts receiving these monies. This funding will supplement and be in addition to current and existing funding. Authorized through Senate Bill 2010 SB333

LIBRARIES GO BOND 2010

To be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Funds generated by GO Bonds may not be used to supplant existing or prior library material funding within school districts receiving these monies. This funding will supplement and be in addition to current and existing funding. Authorized through Senate Bill 2010 SB333

BEGINNING TEACHER MENTORING

Funds to assist school districts in the design, implementation, and evaluation of beginning teacher mentoring programs. Funding is provided through the 2000 legislative session, with appropriated funds from the General Appropriations Act.

BREAKFAST FOR ELEMENTARY STUDENTS

To provide elementary students with the nutrition necessary to facilitate learning.

K-PLUS INITIATIVE

To account for revenues and expenditures from a state grant for the purpose of providing extended kindergarten services for students.

STATE DISCRETIONARY IDEA-B

To support the improvement of educational results and functional outcomes for all children with disabilities.

LIBRARY BOOKS

To support the purchase of library books. Authorized through New Mexico Senate Bill 471.

NO KID HUNGRY

To support the summer food program.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

FOOD SERVICE SPECIAL REVENUE FUND - NO. 21000
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 350,309	\$ 350,309	\$ 282,169	\$ (68,140)
Local sources:				
Fees and activities	<u>3,632</u>	<u>3,632</u>	<u>4,253</u>	<u>621</u>
Total revenues	<u>353,941</u>	<u>353,941</u>	<u>286,422</u>	<u>(67,519)</u>
Expenditures:				
Current:				
Food Services Operations	386,288	388,086	300,689	87,397
Capital outlay:				
Equipment	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>396,288</u>	<u>398,086</u>	<u>300,689</u>	<u>97,397</u>
Excess (deficiency) of revenues over expenditures	(42,347)	(44,145)	(14,267)	29,878
Beginning cash balance budgeted	42,347	44,145	-	(44,145)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>100,982</u>	<u>100,982</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>86,715</u>	<u>\$ 86,715</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			2,954	
Change in grant receivable			(21,454)	
Change in payables			<u>(3,272)</u>	
			<u>\$ 64,943</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

ATHLETICS SPECIAL REVENUE FUND - NO. 22000
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ 280	\$ 280
Fees and activities	63,500	63,500	55,943	(7,557)
Earnings from investments	<u>15</u>	<u>15</u>	<u>-</u>	<u>(15)</u>
Total revenues	63,515	63,515	56,223	(7,292)
 Expenditures:				
Current:				
Instruction	<u>113,348</u>	<u>113,348</u>	<u>59,995</u>	<u>53,353</u>
Excess (deficiency) of revenues over expenditures	(49,833)	(49,833)	(3,772)	46,061
Beginning cash balance budgeted	49,833	49,833	-	(49,833)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>47,793</u>	<u>47,793</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>44,021</u>	<u>\$ 44,021</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>247</u>	
			<u>\$ 44,268</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4
ENTITLEMENT IDEA-B SPECIAL REVENUE FUND - NO. 24106
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 116,316	\$ 167,444	\$ 142,762	\$ (24,682)
 Expenditures:				
Current:				
Instruction	105,712	136,540	106,723	29,817
Support Services:				
Students	9,079	22,948	14,506	8,442
Central Services	-	345	124	221
Student Transportation	<u>1,525</u>	<u>7,611</u>	<u>5,025</u>	<u>2,586</u>
Total expenditures	<u>116,316</u>	<u>167,444</u>	<u>126,378</u>	<u>41,066</u>
Excess of revenues over expenditures	-	-	16,384	16,384
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	16,384	<u>\$ 16,384</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(16,384)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4
PRESCHOOL IDEA-B SPECIAL REVENUE FUND - NO. 24109
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 4,654	\$ 10,119	\$ 4,633	\$ (5,486)
 Expenditures:				
Current:				
Instruction	<u>4,654</u>	<u>10,119</u>	<u>7,613</u>	<u>2,506</u>
Excess (deficiency) of revenues over expenditures	-	-	(2,980)	(2,980)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(2,980)	<u>\$ (2,980)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>2,980</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

TITLE III ENGLISH LANGUAGE SPECIAL REVENUE FUND - NO. 24153
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

TEACHER/PRINCIPAL TRAINING SPECIAL REVENUE FUND - NO. 24154
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 53,857	\$ 83,987	\$ 21,332	\$ (62,655)
Expenditures:				
Current:				
Instruction	43,915	72,481	26,838	45,643
Support Services:				
General Administration	2,942	4,506	1,438	3,068
School Administration	<u>7,000</u>	<u>7,000</u>	<u>824</u>	<u>6,176</u>
Total expenditures	<u>53,857</u>	<u>83,987</u>	<u>29,100</u>	<u>54,887</u>
Excess (deficiency) of revenues over expenditures	-	-	(7,768)	(7,768)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(7,768)	<u>\$ (7,768)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			7,482	
Change in payables			48	
Change in deferred revenue			<u>238</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

RURAL & LOW-INCOME SCHOOLS SPECIAL REVENUE FUND - NO. 24160
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

ARRA - TITLE I SPECIAL REVENUE FUND - NO. 24201
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 2,114	\$ 2,114
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	2,114	2,114
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,114	<u>\$ 2,114</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(2,114)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

ARRA - ENTITLEMENT IDEA-B SPECIAL REVENUE FUND - NO. 24206
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 52,130	\$ 52,130
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	52,130	52,130
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	52,130	<u>\$ 52,130</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(52,130)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4
ARRA - PRESCHOOL IDEA-B SPECIAL REVENUE FUND - NO. 24209
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 3,018	\$ 3,018
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	3,018	3,018
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,018	<u>\$ 3,018</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(3,018)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND - NO. 25145
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Public Law 874	\$ -	\$ 11,989	\$ 1,749	\$ (10,240)
 Expenditures:				
Current:				
Instruction	-	11,989	1,907	10,082
Excess (deficiency) of revenues over expenditures	-	-	(158)	(158)
Fund balance at beginning of the year	-	-	11,989	11,989
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	11,831	<u>\$ 11,831</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 11,831</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

IMPACT AID INDIAN EDUCATION SPECIAL REVENUE FUND - NO. 25147
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Public Law 874	\$ -	\$ 63,963	\$ 7,822	\$ (56,141)
Expenditures:				
Current:				
Instruction	-	45,000	2,834	42,166
Support Services:				
Instruction	-	3,963	-	3,963
School Administration	-	15,000	659	14,341
Total expenditures	-	63,963	3,493	60,470
Excess of revenues over expenditures	-	-	4,329	4,329
Fund balance at beginning of the year	-	-	63,964	63,964
Fund balance at end of the year	\$ -	\$ -	68,293	\$ 68,293
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 68,293</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4
TITLE XIX MEDICAID SPECIAL REVENUE FUND - NO. 25153
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 25,000	\$ 25,000	\$ 70,181	\$ 45,181
Expenditures:				
Current:				
Instruction	2,600	2,600	592	2,008
Support Services:				
Students	49,320	49,320	33,229	16,091
General Administration	25,478	25,478	3,460	22,018
School Administration	200	200	25	175
Operation & Maintenance of Plant	400	400	-	400
Student Transportation	400	400	132	268
Capital outlay:				
Equipment	<u>9,252</u>	<u>9,252</u>	-	<u>9,252</u>
Total expenditures	<u>87,650</u>	<u>87,650</u>	<u>37,438</u>	<u>50,212</u>
Excess (deficiency) of revenues over expenditures	(62,650)	(62,650)	32,743	95,393
Beginning cash balance budgeted	62,650	62,650	-	(62,650)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>71,323</u>	<u>71,323</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	104,066	<u>\$ 104,066</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 104,066</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

CHILD & ADULT FOOD PROGRAM SPECIAL REVENUE FUND - NO. 25171
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 9,864	\$ 7,245	\$ (2,619)
Expenditures:				
Current:				
Food Services Operations	-	9,864	7,107	2,757
Excess of revenues over expenditures	-	-	138	138
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	138	<u>\$ 138</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			(138)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

INDIAN ED FORMULA GRANT SPECIAL REVENUE FUND - NO. 25184
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 5,170	\$ 5,159	\$ -	\$ (5,159)
Expenditures:				
Current:				
Instruction	4,700	4,689	4,677	12
Community Services Operations	<u>470</u>	<u>470</u>	<u>468</u>	<u>2</u>
Total expenditures	<u>5,170</u>	<u>5,159</u>	<u>5,145</u>	<u>14</u>
Excess (deficiency) of revenues over expenditures	-	-	(5,145)	(5,145)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(5,145)	<u>\$ (5,145)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			5,143	
Change in deferred revenue			<u>2</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

ELEMENTARY SCHOOL COUNSELING SPECIAL REVENUE FUND - NO. 25215
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 352,628	\$ 111,807	\$ (240,821)
Expenditures:				
Current:				
Instruction	-	1,500	806	694
Support Services:				
Students	-	338,144	125,333	212,811
General Administration	-	12,984	6,814	6,170
Total expenditures	-	352,628	132,953	219,675
Excess (deficiency) of revenues over expenditures	-	-	(21,146)	(21,146)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(21,146)	\$ (21,146)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			21,469	
Change in payables			(323)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

ARRA - STATE REVITALIZATION SPECIAL REVENUE FUND - NO. 25250
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 3,821	\$ 3,821
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	3,821	3,821
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,821	<u>\$ 3,821</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(3,821)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

EDUCATION JOBS SPECIAL REVENUE FUND - NO. 25255
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 1,995	\$ 41,108	\$ 39,113
 Expenditures:				
Current:				
Instruction	-	1,995	1,995	-
Excess of revenues over expenditures	-	-	39,113	39,113
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	39,113	<u>\$ 39,113</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(39,113)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

LANL FOUNDATION SPECIAL REVENUE FUND - NO. 26113
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ 25,022	\$ 25,022	\$ -
Expenditures:				
Current:				
Instruction	71,232	88,836	52,216	36,620
Support Services:				
Students	917	917	-	917
School Administration	4,940	4,940	-	4,940
Student Transportation	700	700	-	700
Community Services Operations	<u>9,628</u>	<u>15,942</u>	<u>14,814</u>	<u>1,128</u>
Total expenditures	<u>87,417</u>	<u>111,335</u>	<u>67,030</u>	<u>44,305</u>
Excess (deficiency) of revenues over expenditures	(87,417)	(86,313)	(42,008)	44,305
Beginning cash balance budgeted	87,417	86,313	-	(86,313)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>86,313</u>	<u>86,313</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>44,305</u>	<u>\$ 44,305</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 44,305</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

DRAWING FROM THE WELL SPECIAL REVENUE FUND - NO. 26147
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ 8,000	\$ 8,000
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	8,000	8,000
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	8,000	<u>\$ 8,000</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(3,338)</u>	
			<u>\$ 4,662</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

DUAL CREDIT INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND - NO. 27103

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 4,169	\$ 4,169
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	4,169	4,169
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	4,169	<u>\$ 4,169</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(4,169)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GO BOND LIBRARY SPECIAL REVENUE FUND - NO. 27105
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 7,260	\$ 6,580	\$ (680)
 Expenditures:				
Current:				
Support Services:				
Instruction	<u>-</u>	<u>7,260</u>	<u>7,235</u>	<u>25</u>
Excess (deficiency) of revenues over expenditures	-	-	(655)	(655)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(655)	<u>\$ (655)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>655</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4
LIBRARIES GO BOND 2010 SPECIAL REVENUE FUND - NO. 27106
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ 6,427	\$ 6,427	\$ -	\$ (6,427)
 Expenditures:				
Current:				
Support Services:				
Instruction	<u>6,427</u>	<u>6,427</u>	-	<u>6,427</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND - NO. 27154

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND - NO. 27155

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 10,552	\$ 6,921	\$ (3,631)
 Expenditures:				
Current:				
Food Services Operations	<u>-</u>	<u>14,057</u>	<u>7,591</u>	<u>6,466</u>
Excess (deficiency) of revenues over expenditures	-	(3,505)	(670)	2,835
Beginning cash balance budgeted	-	3,505	-	(3,505)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>3,505</u>	<u>3,505</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>2,835</u>	<u>\$ 2,835</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(2,835)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

K-PLUS INITIATIVE SPECIAL REVENUE FUND - NO. 27159
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

STATE DISCRETIONARY IDEA-B SPECIAL REVENUE FUND - NO. 27200
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 83,343	\$ 39,189	\$ (44,154)
 Expenditures:				
Current:				
Instruction	-	64,631	63,791	840
Support Services:				
Students	-	18,712	17,545	1,167
Total expenditures	-	83,343	81,336	2,007
Excess (deficiency) of revenues over expenditures	-	-	(42,147)	(42,147)
Fund balance at beginning of the year	-	-	27,654	27,654
Fund balance at end of the year	\$ -	\$ -	(14,493)	\$ (14,493)
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			14,493	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

LIBRARY BOOKS SPECIAL REVENUE FUND - NO. 27549
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	3	3
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3	<u>\$ 3</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 3</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NO KID HUNGRY SPECIAL REVENUE FUND - NO. 29102
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ 1,615	\$ 1,615
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	1,615	1,615
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,615	<u>\$ 1,615</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 1,615</u>	

**STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4**

**CAPITAL PROJECTS FUNDS
Year Ended June 30, 2011**

BOND BUILDING FUND

This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

PUBLIC SCHOOL CAPITAL OUTLAY

This fund provides financing from Public Schools Critical Capital Outlay committee under chapter and laws of the New Mexico Lottery Receipts Act.

SPECIAL CAPITAL OUTLAY - STATE

This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

CAPITAL IMPROVEMENTS SB – 9

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

PUBLIC SCHOOL CAPITAL OUTLAY – 20%

A capital projects fund to capture the 20% of eligible federal (Forest Reserve and Impact Aid) and local revenue (local taxes) that must be budgeted in Capital Outlay. Provides financing for the construction and improvement of buildings and land, and the purchase of equipment.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

BOND BUILDING CAPITAL PROJECTS FUND - NO. 31100
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 41,856	\$ 41,856
Local sources:				
Earnings from investments	600	600	855	255
Total revenues	600	600	42,711	42,111
Expenditures:				
Current:				
Support Services:				
Operation & Maintenance of Plant	131,000	200,226	124,093	76,133
Capital outlay:				
Land and improvements	59,915	59,915	-	59,915
Construction in progress	1,044,662	1,094,662	83,642	1,011,020
Total expenditures	1,235,577	1,354,803	207,735	1,147,068
Excess (deficiency) of revenues over expenditures	(1,234,977)	(1,354,203)	(165,024)	1,189,179
Beginning cash balance budgeted	1,234,977	1,354,203	-	(1,354,203)
Fund balance at beginning of the year	-	-	1,327,039	1,327,039
Fund balance at end of the year	\$ -	\$ -	1,162,015	\$ 1,162,015
RECONCILIATION TO GAAP BASIS:				
Change in payables			27,164	
			\$ 1,189,179	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECTS FUND - NO. 31200

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive <u>(Negative)</u>
Revenues:				
State sources:				
State grant	\$ 1,173,465	\$ 1,173,465	\$ -	\$ (1,173,465)
 Expenditures:				
Capital outlay:				
Construction in progress	<u>1,173,465</u>	<u>1,173,465</u>	-	<u>1,173,465</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECTS FUND - NO. 31400
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive <u>(Negative)</u>
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Support Services:				
Operation & Maintenance of Plant	<u>-</u>	<u>39,791</u>	<u>-</u>	<u>39,791</u>
Excess (deficiency) of revenues over expenditures	-	(39,791)	-	39,791
Beginning cash balance budgeted	-	39,791	-	(39,791)
 Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>39,791</u>	<u>39,791</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	39,791	<u>\$ 39,791</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 39,791</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND - NO. 31700
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 236,906	\$ 236,906	\$ -	\$ (236,906)
Local sources:				
District school tax levy	<u>89,896</u>	<u>89,896</u>	<u>10,460</u>	<u>(79,436)</u>
Total revenues	<u>326,802</u>	<u>326,802</u>	<u>10,460</u>	<u>(316,342)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	975	975	105	870
Operation & Maintenance of Plant	240,897	240,767	95,147	145,620
Capital outlay:				
Land and improvements	138,201	63,201	-	63,201
Equipment	75,000	75,000	29,580	45,420
Construction in progress	<u>50,000</u>	<u>125,130</u>	<u>121,448</u>	<u>3,682</u>
Total expenditures	<u>505,073</u>	<u>505,073</u>	<u>246,280</u>	<u>258,793</u>
Excess (deficiency) of revenues over expenditures	(178,271)	(178,271)	(235,820)	(57,549)
Beginning cash balance budgeted	178,271	178,271	-	(178,271)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>383,202</u>	<u>383,202</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>147,382</u>	<u>\$ 147,382</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(15,811)	
Change in due from other governments			(1,865)	
Change in payables			(2,294)	
Change in deferred property taxes			<u>14,396</u>	
			<u>\$ 141,808</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

PUBLIC SCHOOL CAPITAL OUTLAY - 20% CAPITAL PROJECTS FUND - NO. 32100
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Operation & Maintenance of Plant	-	1,170	-	1,170
Excess (deficiency) of revenues over expenditures	-	(1,170)	-	1,170
Beginning cash balance budgeted	-	1,170	-	(1,170)
Fund balance at beginning of the year	-	-	1,170	1,170
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,170	<u>\$ 1,170</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 1,170</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

DEBT SERVICE FUND
Year Ended June 30, 2011

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

DEBT SERVICE FUND - NO. 41000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 176,703	\$ 176,703	\$ 146,136	\$ (30,567)
 Expenditures:				
Current:				
Support Services:				
General Administration	1,767	1,767	1,461	306
Debt service:				
Principal retirement	80,000	80,000	80,000	-
Bond interest paid	96,703	96,703	96,703	-
Reserves	<u>157,028</u>	<u>157,028</u>	-	<u>157,028</u>
Total expenditures	<u>335,498</u>	<u>335,498</u>	<u>178,164</u>	<u>157,334</u>
Excess (deficiency) of revenues over expenditures	(158,795)	(158,795)	(32,028)	126,767
Beginning cash balance budgeted	158,795	158,795	-	(158,795)
Fund balance at beginning of the year	-	-	<u>218,010</u>	<u>218,010</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	185,982	<u>\$ 185,982</u>
 RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(6,556)	
Change in due from other governments			(2,371)	
Change in deferred property taxes			<u>4,552</u>	
			<u>\$ 181,607</u>	

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2012

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2012</u>
95000	Elementary School	\$ 28,004	\$ 32,990	\$ 25,888	\$ 35,106
96000	Junior High School	64,357	34,134	34,295	64,196
97000	Primeros Pasos Pre-K	<u>441</u>	<u>1,221</u>	<u>-</u>	<u>1,662</u>
	Pooled cash and investments	<u>\$ 92,802</u>	<u>\$ 68,345</u>	<u>\$ 60,183</u>	<u>\$ 100,964</u>
	<u>LIABILITIES</u>				
	Deposits held for others	<u>\$ 92,802</u>	<u>\$ 68,345</u>	<u>\$ 60,183</u>	<u>\$ 100,964</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2012

	<u>Centinel Bank</u>
Cash on deposit at June 30, 2012	\$ 2,581,424
Less FDIC coverage	<u>1,007,606</u>
Uninsured funds	<u>\$ 1,573,818</u>
50% collateral requirement	\$ 786,909
Pledged collateral	<u>1,393,556</u>
Excess (deficiency) of pledged collateral	<u>\$ 606,647</u>

Pledged collateral of financial institutions consists of the following at June 30, 2012

<u>Centinel Bank:</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
FHLB	2/21/2013	31331JBV4	\$ 1,341,582
FHLB	4/17/2014	31331GTJ8	<u>51,974</u>
			<u>\$ 1,393,556</u>

The above securities are held at Texas Independent Bank in Dallas, TX.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

CASH RECONCILIATION
June 30, 2012

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 184,275	\$ 4,831,521	\$ (4,841,422)	\$ 19,026	\$ 193,400	\$ -	\$ 193,400
Transportation	49	235,704	(235,709)	-	44	-	44
Instructional Materials	6,416	18,889	(18,274)	-	7,031	-	7,031
Food Services	44,145	286,421	(300,688)	-	29,878	-	29,878
Athletics	48,039	56,224	(59,995)	-	44,268	-	44,268
Federal Flowthrough Funds	643	439,483	(430,225)	(9,605)	296	-	296
Federal Direct Funds	147,278	243,731	(190,036)	(16,645)	184,328	-	184,328
Local Grants	86,313	33,022	(67,030)	(3,338)	48,967	-	48,967
State Flowthrough Funds	31,162	56,858	(96,161)	10,979	2,838	-	2,838
Local/State	-	1,615	-	-	1,615	-	1,615
Bond Building	1,354,203	42,711	(207,735)	-	1,189,179	-	1,189,179
Special Capital Outlay - State	39,791	-	-	-	39,791	-	39,791
Capital Improvements SB-9	378,667	10,460	(246,279)	-	142,848	-	142,848
Public School Capital Outlay - 20%	1,170	-	-	-	1,170	-	1,170
Debt Service	206,396	146,135	(178,163)	-	174,368	-	174,368
Agency Funds	-	-	-	-	-	100,964	100,964
Total	\$ 2,528,547	\$ 6,402,774	\$ (6,871,717)	\$ 417	\$ 2,060,021	\$ 100,964	\$ 2,160,985

<u>Account Type</u>	<u>Account Name</u>	<u>Bank Name</u>	<u>Bank Amount</u>	<u>Adjustments to report:</u>	
Checking - Interest	Operational	Centinel Bank	\$ 271,705	Agency funds	\$ 100,964
Checking - Non-interest	Payroll	Centinel Bank	335,185		
Checking - Non-interest	High School	Centinel Bank	774		
Checking - Non-interest	High School	Centinel Bank	101,906	<u>Adjustments to cash:</u>	
Checking - Non-interest	Federal	Centinel Bank	319,548	Bank Balance	\$ 2,581,424
Checking - Non-interest	Elementary	Centinel Bank	194	Held by the State Treasurer	3,055
Checking - Interest	Bond Buidling	Centinel Bank	1,552,112	Cash on hand	25
	Total		\$ 2,581,424	Outstanding deposits	-
				Outstanding checks	(423,519)
LGIP	POOL-4101	State Treasurer	\$ 2,664	Total adjustment to cash	\$ 2,160,985
Reserve	POOL-4102	State Treasurer	391		
	Total		\$ 3,055		

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**

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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

Hector H. Balderas, State Auditor
The Board of Education of
Penasco Independent School District No. 4

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of Penasco Independent School District No. 4 as of and for the year ended June 30, 2012, and have issued our report thereon dated October 31, 2012. 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.

Internal Control Over Financial Reporting

Management of Penasco Independent School District No. 4 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Penasco Independent School District No. 4's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Penasco Independent School District No. 4's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Penasco Independent School District No. 4's internal control over financial reporting.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. Finding 2012-01 through 2012-04. 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.

Hector H. Balderas, State Auditor
The Board of Education of
Penasco Independent School District No. 4

Compliance and other matters

As part of obtaining reasonable assurance about whether Penasco Independent School District No. 4's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We also noted certain other matters that is required to be reported pursuant to Government Auditing Standards paragraphs 5.14 and 5.16, and pursuant to Section 12-6- 5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as finding 2012-01 through 2012-04.

Management's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit management's response and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, others within the Penasco Independent School District No. 4, the U.S. Department of Education, State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



October 31, 2012
Farmington, NM

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

Hector H. Balderas, State Auditor
The Board of Education of
Penasco Independent School District No. 4

Compliance

We have audited Penasco Independent School District No. 4's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement (Revised March 2012) that could have a direct and material effect on each of Penasco Independent School District No. 4's major federal programs for the year ended June 30, 2012. Penasco Independent School District No. 4's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Penasco Independent School District No. 4's management. Our responsibility is to express an opinion on Penasco Independent School District No. 4's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Penasco Independent School District No. 4'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. Our audit does not provide a legal determination on Penasco Independent School District No. 4's compliance with those requirements.

In our opinion, Penasco Independent School District No. 4 complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

Management of Penasco Independent School District No. 4 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Penasco Independent School District No. 4's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 Penasco Independent School District No. 4's internal control over compliance.

Hector H. Balderas, State Auditor
The Board of Education of
Penasco Independent School District No. 4

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the Penasco Independent School District No. 4, the U.S. Department of Education, the State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



October 31, 2012
Farmington, NM

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2012

A. PRIOR YEAR AUDIT FINDINGS

NOT RESOLVED

2010 – 6 MISSING BACKGROUND CHECKS

Current Status: Not resolved. Repeated in the current year as Finding 2012 – 1.

RESOLVED

2011 – 1 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

Current Status: Resolved. Not repeated in the current year.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Penasco Independent School District No. 4.
2. There were three significant deficiencies disclosed during the audit of the financial statements in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. There were no significant deficiencies considered to be material weaknesses.
3. There were no instance of noncompliance material to the financial statements of Penasco Independent School District No. 4 were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal awards program in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Penasco Independent School District No. 4 expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Penasco Independent School District No. 4 that are required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include:
 - Child Nutrition (USDA) Cluster CFDA #10.553 and #10.555; and
 - Elementary School Counseling CFDA #84.215E.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Penasco Independent School District No. 4 was determined to be a low-risk auditee.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2012 – 1 MISSING BACKGROUND CHECKS
(Repeat of prior year Finding 2010 – 6)

Significant Deficiency?
Yes

Material Weakness?
No

Internal Control?
Yes

Compliance?
No

Other Matter?
Yes

Condition: Three of 34 employee files selected for testing were missing a background check.

Criteria: In accordance with 1978 NMSA 22-10A-5, all employees who have access to children are required to have a background check completed and approved.

Effect of condition: The school is out of compliance with requirements for 1978 NMSA 22-10A-5.

Cause: The district is not maintaining adequate controls over employee hiring.

Recommendation: The district should not employ any individual without prior receipt of the cleared background check.

Management's response: Applicant was approved and allowed to begin work due to urgency in starting up a newly funded program. This person resigned shortly thereafter and did not complete the background check process. Applicants applied for licensure and background check through PED. PED at the time changed it's procedures but did not make the school districts aware of this change. PED stopped sending background check results to the school districts in which the applicants are employed. The new procedure requires the employees to sign a form and fax it to PED requesting that the school district be issued the report.

Auditor's Rebuttal: Management has stated the reasons for the failure in controls but has not provided plans to improve the procedural controls that would prevent the violations in the future.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2012 – 2 CONTROL OVER RECEIPTS

Significant Deficiency?
Yes

Material Weakness?
No

Internal Control?
Yes

Compliance?
No

Other Matter?
Yes

Condition: Receipts issued were not reconciled to the amount deposited. One of the receipts could not be traced to a deposit. One deposit was short the money received. Two deposits were over the amount received.

Criteria: NMAC 6.20.2.11(C) requires the district to have an internal control structure that allows the district's financial data to meet the financial statement assertions of completeness and existence and occurrence.

Effect of condition: The district is susceptible to errors or fraud in missing money.

Cause: The District did not reconcile the receipts issued to the deposits made.

Recommendation: The district should reconcile receipts issued to the amount of money collected.

Management's response: The District has ordered receipt books with three parts to each pre-numbered receipt. The school name is printed on each receipt. Receipt books will be issued to activity sponsors for the fiscal year. Each sponsor will be responsible for bringing their receipt book to the Business Office at the time they are turning in money. Business Office staff will keep one set of copies of the receipts being turned in and attach to the receipt the Business Office will be issuing to the sponsor. The Business Office will be reviewing sponsor receipt books to ensure that sponsors are turning in money the same business day.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2012 – 3 PRENUMBERED RECEIPTS WITH THE DISTRICTS NAME ON THE RECEIPTS

Significant Deficiency?

Yes

Material Weakness?

No

Internal Control?

Yes

Compliance?

No

Other Matter?

Yes

Condition: The schools are issuing receipts with two books that are manually numbered. The pre-numbered receipt books and the manually numbered receipt books do not have the districts name on the receipts and the books are not centrally controlled.

Criteria: NMAC 6.20.2.11 requires the district to have prenumbered receipts and proper safeguards to protect the unused receipts.

Effect of condition: The district is susceptible to errors or fraud in missing money.

Cause: The employees are using the receipt books from office supply stores which do not include or print the districts name on the receipt, and the receipt books are generic.

Recommendation: The district needs to control the receipt books, using receipts with the districts name on them, and pre-numbered receipt.

Management's response: The District has ordered receipt books with three parts to each pre-numbered receipt. The school name is printed on each receipt. Receipt books will be issued to activity sponsors for the fiscal year. Each sponsor will be responsible for bringing their receipt book to the Business Office at the time they are turning in money. Business Office staff will keep one set of copies of the receipts being turned in and attach to the receipt the Business Office will be issuing to the sponsor. The Business Office will be reviewing sponsor receipt books to ensure that sponsors are turning in money the same business day.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
Direct Program:				
Forest Reserve	10.670	11000		\$ <u>26,216</u>
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition Cluster:</u>				
USDA National School Lunch Program	10.555	21000	198,988	
USDA School Breakfast Program	10.553	21000	<u>61,727</u>	
Total Child Nutrition Cluster				260,715
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		16,797
New Mexico Children, Youth, and Families:				
Child & Adult Food Program	10.558	25171		<u>7,107</u>
Subtotal Pass-Through Programs				<u>284,619</u>
Total U.S. Department of Agriculture				<u>310,835</u>
<u>U.S. Department of Education:</u>				
Direct Programs:				
Impact Aid Indian Education	84.041	25147		42,919
Indian Ed Formula Grant	84.060	25184		5,144
Elementary School Counseling	84.215E	25215		<u>133,276</u>
Subtotal Direct Programs				<u>181,339</u>
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
Entitlement IDEA-B	84.027	24106	126,378	
Preschool IDEA-B	84.173	24109	<u>7,613</u>	
Total Special Education (IDEA) Cluster				133,991

(continued)

See accompanying notes to the
Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education (continued):</u>				
Pass-Through Programs From (continued):				
New Mexico Department of Education (continued):				
Title I	84.010	24101		\$ 148,886
21st Century Community Learning Centers	84.287C	24119		117,329
Teacher/Principal Training	84.367	24154		29,052
Education Jobs	84.410	25255		<u>1,995</u>
Subtotal Pass-Through Programs				<u>431,253</u>
Total U.S. Department of Education				<u>612,592</u>
<u>U.S. Department of Health and Human Services:</u>				
Pass-Through Program From:				
New Mexico Department of Health:				
Title XIX Medicaid	93.778	25153		<u>37,438</u>
Total Expenditures of Federal Awards				<u>\$ 960,865</u>

See accompanying notes to the
Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Notes To The Schedule Of Expenditures Of Federal Awards
Year Ended June 30, 2012

1. Scope of audit pursuant to OMB Circular A-133

All federal grant operations of Penasco Independent School District No. 4 (the “School District”) are included in the scope of the Office of management and Budget (“OMB”) Circular A-133 audit (the “Single Audit”). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised June 2012 the “Compliance Supplement”). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2012 cash and non-cash expenditures to ensure coverage of at least 25% (LOW risk auditee) of federally granted funds. Actual coverage is approximately 41% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$944,068 and all non-cash expenditures amounted to \$16,797.

Major Federal Award Program Description	Fiscal 2012 <u>Expenditure</u>
Cash assistance:	
Child Nutrition (USDA) Cluster	\$ 260,715
Elementary School Counseling	<u>133,276</u>
Total	<u>\$ 393,991</u>

The School District did not have any Type A federal programs for the 2012 audit.

The U.S. Department of Education is the School District’s oversight agency for single audit.

2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditure of Federal Awards includes all federal grants to the School District that had activity during the fiscal year ended June 30, 2012. This Statement has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School District has met the qualifications for the respective grant.

Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the School District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

3. Audits performed by other entities

There were no other audits performed by other organizations on the School Districts federal grant programs in 2012.

REQUIRED DISCLOSURE

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STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

REQUIRED DISCLOSURES
Year Ended June 30, 2012

REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held October 31, 2012, during which the audit findings were discussed. The exit conference was attended by the following individuals:

PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Isabel L. Duran
Elizabeth Romero

President, Board of Education / Audit Committee
Director of Finance

KEYSTONE ACCOUNTING, LLC

Terry Ogle, CPA

Partner