

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2013
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



ACCOUNTING & FINANCIAL
SOLUTIONS
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, 2013

BOARD OF EDUCATION

Leroy Lopez	President
Norman Esquibel	Vice President
Mary Mascarenas	Secretary
Juliet Garcia-Gonzales	Member
Audrey Medina-Dominquez	Member

SCHOOL OFFICIALS

Dr. Theresa Baca-Watson	Superintendent
Elizabeth Romero	Business Manager

AUDIT COMMITTEE

Leroy Lopez	Board President
Norman Esquibel	Board Member
Dr. Theresa Baca-Watson	Superintendent
Elizabeth Romero	Business Manager
Jane Fernandez	Member
Yvonne Castillo	Member

FINANCE COMMITTEE

Leroy Lopez	Board Secretary
Dr. Theresa Baca-Watson	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 2013
JULY 1, 2012 THROUGH JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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 funds of Penasco Independent School District No. 4, as of and for the year ended June 30, 2013, and the related notes to the financial statements 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 Penasco Independent School District No. 4's nonmajor governmental and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Penasco Independent School District No. 4's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Penasco Independent School District No. 4, as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Penasco Independent School District No. 4 as of June 30, 2013, 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 accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Penasco Independent School District No. 4's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 9, 2013 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Penasco Independent School District No. 4's internal control over financial reporting and compliance.

Accounting & Financial Solutions, LLC
Farmington, NM
October 9, 2013

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

STATEMENT OF NET POSITION
 June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,465,462
Receivables:	
Delinquent property taxes receivable	235,010
Grant	162,568
Due from other governments	5,495
Food inventory	17,767
Non-current:	
Non-depreciable assets	1,531,311
Depreciable capital assets, net	<u>9,667,152</u>
Total assets	<u>14,084,765</u>
LIABILITIES	
Accounts payable	68,023
Accrued interest	30,338
Deposits held for others	60
Compensated absences	55,386
Noncurrent liabilities:	
Due within one year	90,000
Due in more than one year	<u>2,006,861</u>
Total liabilities	2,250,668
Deferred inflows of resources:	
Advances of federal, state, and local grants	<u>6,142</u>
Total liabilities and deferred inflows of resources	<u>2,256,810</u>
NET POSITION	
Net investment in capital assets	9,297,759
Restricted for:	
Inventories	17,767
Special revenue funds	278,769
Capital projects	1,420,032
Debt service	169,437
Unrestricted	<u>644,191</u>
Total net position	<u>\$ 11,827,955</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, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
Functions/Programs	<u>Expenses</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	\$ 3,344,123	\$ 6,900	\$ 648,300	\$ 207,676	\$ (2,481,247)
Support Services - Students	970,490	40,423	188,142	60,269	(681,656)
Support Services - Instruction	101,935	-	19,761	6,330	(75,844)
Support Services - General Administration	275,301	-	53,371	17,097	(204,833)
Support Services - School Administration	397,850	-	77,128	24,707	(296,015)
Central Services	296,457	-	57,472	-	(238,985)
Operations & Maintenance of Plant	1,034,019	-	200,458	-	(833,561)
Student Transportation	286,771	-	231,800	-	(54,971)
Other Support Services	22,429	-	4,348	-	(18,081)
Food Services	319,853	4,306	257,146	-	(58,401)
Bond interest paid	<u>92,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,278)</u>
Total governmental activities	<u>\$ 7,214,842</u>	<u>\$ 51,629</u>	<u>\$ 1,752,143</u>	<u>\$ 316,079</u>	<u>(5,094,991)</u>
General revenues:					
Property Taxes:					
					18,767
					309,373
					16,260
					4,715,808
					<u>422</u>
					<u>5,060,630</u>
					<u>(34,361)</u>
					11,926,973
					<u>(64,657)</u>
					<u>11,862,316</u>
					<u>\$ 11,827,955</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
 Balance Sheet
 June 30, 2013

	General Fund	Gear Up Fund #25205	Bond Building Fund #31100
ASSETS			
Pooled cash and investments	\$ 530,598	\$ 34,003	\$ 1,126,560
Receivables:			
Property taxes	10,957	-	-
Grant	-	45,028	-
Due from other governments	268	-	-
Due from other funds	189,898	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 731,721</u>	<u>\$ 79,031</u>	<u>\$ 1,126,560</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 21,496	\$ -	\$ 32,826
Due to other funds	-	79,031	-
Deposits held for others	<u>60</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>21,556</u>	<u>79,031</u>	<u>32,826</u>
Deferred inflows of resources:			
Advances of federal, state, and local grants	-	-	-
Delinquent property taxes	<u>10,588</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>10,588</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>32,144</u>	<u>79,031</u>	<u>32,826</u>
Fund balance:			
Non-spendable:			
Inventories	-	-	-
Restricted for:			
Special revenue funds	-	-	-
Capital projects funds	-	-	1,093,734
Debt service	-	-	-
Unassigned	<u>699,577</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>699,577</u>	<u>-</u>	<u>1,093,734</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 731,721</u>	<u>\$ 79,031</u>	<u>\$ 1,126,560</u>

(cont'd; 1 of 2)

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, 2013

	Capital Improvements SB-9 <u>Fund #31700</u>	Debt Service Fund #41000 <u>Fund #41000</u>	Other Governmental Funds <u>Funds</u>	Total Governmental Funds <u>Funds</u>
ASSETS				
Pooled cash and investments	\$ 286,960	\$ 157,341	\$ 330,000	\$ 2,465,462
Receivables:				
Property taxes	22,490	201,563	-	235,010
Grant	-	-	117,540	162,568
Due from other governments	487	4,740	-	5,495
Due from other funds	-	-	-	189,898
Food inventory	<u>-</u>	<u>-</u>	<u>17,767</u>	<u>17,767</u>
 Total assets	 <u>\$ 309,937</u>	 <u>\$ 363,644</u>	 <u>\$ 465,307</u>	 <u>\$ 3,076,200</u>
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 2,900	\$ -	\$ 10,801	\$ 68,023
Due to other funds	-	-	110,867	189,898
Deposits held for others	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>
 Total liabilities	 <u>2,900</u>	 <u>-</u>	 <u>121,668</u>	 <u>257,981</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	6,142	6,142
Delinquent property taxes	<u>21,700</u>	<u>194,207</u>	<u>-</u>	<u>226,495</u>
 Total deferred inflows of resources	 <u>21,700</u>	 <u>194,207</u>	 <u>6,142</u>	 <u>232,637</u>
 Total liabilities and deferred inflows of resources	 <u>24,600</u>	 <u>194,207</u>	 <u>127,810</u>	 <u>490,618</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	17,767	17,767
Restricted for:				
Special revenue funds	-	-	278,769	278,769
Capital projects funds	285,337	-	40,961	1,420,032
Debt service	-	169,437	-	169,437
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>699,577</u>
 Total fund balance	 <u>285,337</u>	 <u>169,437</u>	 <u>337,497</u>	 <u>2,585,582</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 309,937</u>	 <u>\$ 363,644</u>	 <u>\$ 465,307</u>	 <u>\$ 3,076,200</u>

(2 of 2)

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 POSITION
 June 30, 2013

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

Fund balances - total governmental funds	\$	2,585,582
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		27,303,325
Accumulated depreciation		(16,104,862)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		226,495
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		(2,065,000)
Accrued interest payable		(30,338)
Accrued vacation payable		(55,386)
Bond premiums		(31,861)
		(31,861)
Net position of governmental activities	\$	11,827,955

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, 2013

	General Fund	Gear Up Fund #25205	Bond Building Fund #31100	Capital Improvements SB-9 Fund #31700	Debt Service Fund #41000	Other Governmental Funds	Total Governmental Funds
Revenues:							
Federal sources:							
Public Law 874	\$ 36,205	\$ -	\$ -	\$ -	\$ -	\$ 9,482	\$ 45,687
Forest reserve	26,404	-	-	-	-	-	26,404
Federal flowthrough grants	11,600	-	-	-	-	301,632	313,232
Federal direct grants	7,326	221,769	-	-	-	404,814	633,909
Food and milk reimbursements	-	-	-	-	-	243,904	243,904
USDA Commodities	-	-	-	-	-	13,242	13,242
State sources:							
State equalization guarantee	4,605,950	-	-	-	-	-	4,605,950
Transportation	231,800	-	-	-	-	-	231,800
State instructional material	28,914	-	-	-	-	-	28,914
State grant	62,678	-	51,139	264,197	-	124,289	502,303
Local sources:							
Grant	69,301	-	-	-	-	28,883	98,184
District school tax levy	10,643	-	-	3,086	167,863	-	181,592
Fees and activities	6,900	-	-	-	-	44,729	51,629
Earnings from investments	422	-	743	-	-	-	1,165
Miscellaneous	15,386	-	-	22,381	-	-	37,767
Total revenue	<u>5,113,529</u>	<u>221,769</u>	<u>51,882</u>	<u>289,664</u>	<u>167,863</u>	<u>1,170,975</u>	<u>7,015,682</u>
Expenditures:							
Current:							
Instruction	2,466,235	132,267	-	-	-	390,085	2,988,587
Support Services:							
Students	526,831	20,757	-	-	-	319,723	867,311
Instruction	20,961	63,320	-	-	-	2,872	87,153
General Administration	210,819	-	-	-	1,630	33,583	246,032
School Administration	322,389	-	-	31	-	33,132	355,552
Central Services	259,292	5,425	-	-	-	222	264,939
Operation & Maintenance of Plant	743,984	-	39,095	140,806	-	200	924,085
Student Transportation	249,098	-	-	-	-	7,184	256,282
Other Support Services	20,044	-	-	-	-	-	20,044
Food Services Operations	-	-	-	-	-	285,847	285,847
Community Services	-	-	-	-	-	65,539	65,539
Capital outlay	-	-	108,232	5,298	-	80,038	193,568
Debt service:							
Principal retirement	-	-	-	-	85,000	-	85,000
Bond interest paid	-	-	-	-	93,403	-	93,403
Total expenditures	<u>4,819,653</u>	<u>221,769</u>	<u>147,327</u>	<u>146,135</u>	<u>180,033</u>	<u>1,218,425</u>	<u>6,733,342</u>
Excess (deficiency) of revenues over expenditures	293,876	-	(95,445)	143,529	(12,170)	(47,450)	282,340
Fund balance at beginning of the year	<u>405,701</u>	<u>-</u>	<u>1,189,179</u>	<u>141,808</u>	<u>181,607</u>	<u>384,947</u>	<u>2,303,242</u>
Fund balance at end of the year	<u>\$ 699,577</u>	<u>\$ -</u>	<u>\$ 1,093,734</u>	<u>\$ 285,337</u>	<u>\$ 169,437</u>	<u>\$ 337,497</u>	<u>\$ 2,585,582</u>

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

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, 2013

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

Net change in fund balance - total governmental funds	\$	282,340
<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		193,568
Depreciation		(757,248)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Deferred property taxes at:		
June 30, 2012		(63,687)
June 30, 2013		226,495
<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 position. 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		85,000
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>		
Compensated absences at:		
June 30, 2012		51,441
June 30, 2013		(55,386)
Accrued interest at:		
June 30, 2012		31,463
June 30, 2013		<u>(30,338)</u>
Change in net position of governmental activities	\$	<u><u>(34,361)</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

GENERAL FUND
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Public Law 874	\$ 31,492	\$ 31,492	\$ 36,205	\$ 4,713
Forest reserve	-	-	26,405	26,405
Federal grant	10,000	10,000	7,326	(2,674)
Federal direct grant	539	539	11,600	11,061
State sources:				
State equalization guarantee	4,605,679	4,592,650	4,605,950	13,300
Transportation	230,111	231,800	231,800	-
State instructional material	28,878	31,554	28,914	(2,640)
State grant	15,250	15,250	62,678	47,428
Local sources:				
Grant	2,000	54,518	69,301	14,783
District school tax levy	8,814	8,814	10,351	1,537
Fees and activities	4,299	4,299	6,900	2,601
Earnings from investments	500	500	422	(78)
Miscellaneous	<u>3,000</u>	<u>3,000</u>	<u>15,386</u>	<u>12,386</u>
Total revenues	<u>4,940,562</u>	<u>4,984,416</u>	<u>5,113,238</u>	<u>128,822</u>
Expenditures:				
Current:				
Instruction	2,478,884	2,585,508	2,465,946	119,562
Support Services:				
Students	510,796	561,644	522,193	39,451
Instruction	42,759	23,304	20,961	2,343
General Administration	219,043	242,523	202,569	39,954
School Administration	324,364	336,415	322,222	14,193
Central Services	277,769	273,499	259,105	14,394
Operation & Maintenance of Plant	916,688	862,854	742,712	120,142
Student Transportation	258,506	252,073	249,098	2,975
Other Support Services	33,818	47,845	16,526	31,319
Total expenditures	<u>5,062,627</u>	<u>5,185,665</u>	<u>4,801,332</u>	<u>384,333</u>
Excess (deficiency) of revenues over expenditures	(122,065)	(201,249)	311,906	513,155
Beginning cash balance budgeted	122,065	201,249	-	(201,249)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>405,701</u>	<u>405,701</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>717,607</u>	<u>\$ 717,607</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			8,331	
Change in due from other governments			84	
Change in payables			(18,321)	
Change in deferred property taxes			<u>(8,124)</u>	
			<u>\$ 699,577</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GEAR UP FUND - NO. 25205
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 225,000	\$ 176,741	\$ (48,259)
 Expenditures:				
Current:				
Instruction	-	134,749	132,267	2,482
Support Services:				
Students	-	21,012	20,757	255
Instruction	-	63,813	63,320	493
Central Services	-	5,426	5,425	1
Total expenditures	-	225,000	221,769	3,231
 Excess (deficiency) of revenues over expenditures	-	-	(45,028)	(45,028)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(45,028)	\$ (45,028)
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			45,028	
			\$ -	

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, 2013

ASSETS

Pooled cash and investments	\$ <u>102,295</u>
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LIABILITIES

Deposits held for others	\$ <u>102,295</u>
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The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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.

As required by GAAP, these financial statements present the District (primary government) and its component units. The component units discussed below are included in the District's reporting because of the significance of their operational or financial relationships with the District in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity and GASB Statement No. 39, 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.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

During fiscal year 2013, Penasco Independent School District No. 4 adopted the following GASB Statements:

- GASB 60, Accounting and Financial Reporting for Service Concession Arrangements, improves financial reporting by addressing uses related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement establishes recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators.
- GASB 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, is effective for the District beginning with its year ending June 30, 2013. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity
- GASB 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, is effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.
- GASB 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions — an Amendment to GASB Statement No. 53, which had no impact on the current year financial statements. The objective of this statement is to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.
- GASB 65, Items Previously Reported as Assets and Liabilities, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement resulted in a restatement of the financial statements which is detailed in Note IV.F on page 36.

Other accounting standards that Penasco Independent School District No. 4 is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 66, Technical Corrections: an amendment to GASB Statements No. 10 and No. 62, resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. This Statement will be effective for the year ended June 30, 2014.
- GASB 67, Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25, establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This Statement will be effective for the year ended June 30, 2014.
- GASB 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. This Statement will be effective for the year ended June 30, 2015.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont'd)

- GASB 69, Government Combinations and Disposals of Government Operations, which had distinguishes between a government merger and a government acquisition and establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement will be effective for the year ended June 30, 2015.
- GASB 70, Accounting and Financial Reporting for Nonexchange Financial, June 30, 2014 the requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This Statement will be effective for the year ended June 30, 2014.

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. Revenues received during the year but are applicable to subsequent years are reported as deferred inflows of resources. 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. Expenditures incurred during the year that are for the benefit of subsequent years are reported as deferred outflows of resources.

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.

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.

Gear Up Special Revenue Fund – To encourage eligible entities to provide supportive services to elementary and middle schools, and secondary school students who are at risk of dropping out of school; and information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents. Authorization granted through Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 U.S.C. 1070a-21-1070a-28.

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.

Capital Improvements SB-9 Capital Projects Fund – 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont'd)

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

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 Position 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 from/to 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 from/to other funds."

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

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 been 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 and other inventories are recorded at cost, which approximates market. 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. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

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 position. 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.

7. *Fund balance*

a. 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.

b. 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.

c. 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, 2013.

d. 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, 2013.

e. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

8. *Net position*

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

a. Invested in capital assets, net of related debt

This component of net position 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 position

Net position 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 position

Unrestricted net position consists of net position that does 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 position often is designated to indicate that management does not consider them to be available for general operations. In contrast to restricted net position, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

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 \$4,605,950 in state equalization guarantee distributions during the year ended June 30, 2013.

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 \$231,800 in transportation distributions during the year ended June 30, 2013.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont'd)

A. Budgetary Information (cont'd)

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.
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, 2013 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	\$ 5,062,627	\$ 5,185,665
Special Revenue Fund	946,240	2,054,263
Capital Projects Fund	1,819,815	1,819,815
Debt Service Fund	<u>335,447</u>	<u>335,447</u>
Totals	<u>\$ 8,164,129</u>	<u>\$ 9,395,190</u>

B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2013.

C. Deficit Fund Equity

There were not any deficit fund balances as of June 30, 2013.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2013, the carrying amount of the District's deposits was \$2,564,702 and the bank balance was \$3,075,227 with the difference consisting of outstanding checks. Of this balance \$250,000 was covered by federal depository insurance and \$1,452,495 was covered by collateral held in joint safekeeping by a third party.

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, 2013, 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, 2013, \$1,372,732 of the District's bank balance of \$3,075,227 was exposed to custodial risk as follows:

Uninsured and uncollateralized	\$ 1,372,732
Uninsured and collateral held by pledging bank's trust dept not in the District's name	<u>1,452,495</u>
Total uninsured	2,825,227
Insured (FDIC)	<u>250,000</u>
Total deposits	<u><u>\$ 3,075,227</u></u>
State of New Mexico collateral requirement:	
50% of uninsured public fund bank deposits	\$ 1,412,614
Pledged security	<u>1,452,495</u>
Over collateralization	<u><u>\$ 39,881</u></u>

The collateral pledged is listed on Page 109 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (cont'd)

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		<u>Governments</u>	<u>Funds</u>
	<u>Property Taxes</u>	<u>Grant</u>		
Major Funds:				
General	\$ 10,957	\$ -	\$ 268	\$ 189,898
Gear Up	-	45,028	-	-
Capital Improvements SB - 9	22,490	-	487	-
Debt Service	201,563	-	4,740	-
Other Governmental Funds	-	117,540	-	-
Total	\$ 235,010	\$ 162,568	\$ 5,495	\$ 189,898

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

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	\$ -	\$ 6,142
Delinquent property taxes		
General Fund	10,588	-
Capital Improvements SB - 9	21,700	-
Debt Service	194,207	-
Total deferred/unearned revenue for governmental funds	\$ 226,495	\$ 6,142

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (cont'd)

C. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning <u>Balance</u>	Increases	Decreases	Adjustments	Ending <u>Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,531,311	\$ -	\$ -	\$ -	\$ 1,531,311
Capital assets being depreciated:					
Land improvements	1,624,013	5,298	-	-	1,629,311
Buildings and improvements	23,207,154	108,232	-	-	23,315,386
Furniture, fixtures, and equipment	888,429	80,038	(141,150)	-	827,317
Total capital assets being depreciated	<u>25,719,596</u>	<u>193,568</u>	<u>(141,150)</u>	<u>-</u>	<u>25,772,014</u>
Less accumulated depreciation for:					
Land improvements	(367,838)	(105,477)	-	-	(473,315)
Buildings and improvements	(14,411,250)	(598,868)	-	-	(15,010,118)
Furniture, fixtures, and equipment	(709,676)	(52,903)	141,150	-	(621,429)
Total accumulated depreciation	<u>(15,488,764)</u>	<u>(757,248)</u>	<u>141,150</u>	<u>-</u>	<u>(16,104,862)</u>
Total capital assets being depreciated, net	<u>10,230,832</u>	<u>(563,680)</u>	<u>-</u>	<u>-</u>	<u>9,667,152</u>
Total capital assets, net	<u>\$11,762,143</u>	<u>\$ (563,680)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$11,198,463</u>

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

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 355,537
Support Services - Students	103,179
Support Services - Instruction	10,837
Support Services - General Administration	29,269
Support Services - School Administration	42,298
Central Services	31,518
Operations & Maintenance of Plant	100,412
Student Transportation	40,010
Other Support Services	2,385
Food Services	34,006
Community Services	7,797
Total Depreciation Expense	<u>\$ 757,248</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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS (cont'd)

C. Capital Assets (continued)

Construction commitments

The District is involved in long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$2,273,533 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, 2013 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 189,898	\$ -
Entitlement IDEA-B	-	79,031
Other Governmental Funds	-	110,867
Total deferred/unearned revenue for governmental funds	\$ 189,898	\$ 189,898

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.

E. Inter-Fund Transfers

There was not any inter-fund transfers made during the year ended June 30, 2013.

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, 2013 are as follows:

	<u>Original</u>		<u>Balance</u>	<u>Amount Due</u>
<u>General Obligations Bonds</u>	<u>Amount</u>	<u>Interest Rates</u>	<u>June 30, 2013</u>	<u>Within One Year</u>
Series 2009	\$ 2,230,000	3.75% to 5.15%	\$ 2,065,000	\$ 90,000

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing. Those adjustments are as follows.

	<u>Balance</u>
	<u>June 30, 2013</u>
Bonds payable	\$ 2,065,000
Less: current maturities	(90,000)
Unamortized:	
Bond premiums	31,861
Total non-current liabilities	\$ 2,006,861

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

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

General Obligation Bonds			
Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2014	\$ 90,000	\$ 89,902	\$ 179,902
2015	95,000	86,321	181,321
2016	95,000	82,759	177,759
2017	100,000	78,978	178,978
2018	105,000	74,877	179,877
2019 - 2023	620,000	301,920	921,920
2024 - 2028	780,000	144,951	924,951
2029 - 2033	180,000	4,635	184,635
Total	\$ 2,065,000	\$ 864,343	\$ 2,929,343

Changes in long term debt – During the year ended June 30, 2013 the following changes occurred in liabilities reported in the general obligation bonds account group:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>	<u>Amount Due</u> <u>Within One Year</u>
Compensated absences:					
Compensated vacation	\$ 51,441	\$ 11,375	\$ 7,430	\$ 55,386	\$ 55,386
Bonds payable	2,150,000	-	85,000	2,065,000	90,000
	\$ 2,201,441	\$ 11,375	\$ 92,430	\$ 2,120,386	\$ 145,386

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 (NMPSIA) 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, 2013.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

IV. OTHER INFORMATION (cont'd)

B. 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

Member Contributions

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 9.40% of their gross salary in fiscal year 2013; 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions

In fiscal year 2013, the Penasco Independent School District No. 4 was required to contribute 12.4% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000. In the future, the District will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015. 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 ERB for the fiscal years ending June 30, 2013, 2012, and 2011, were \$364,877, \$328,705, and \$388,013, respectively, which equal the amount of the required contributions for each fiscal year.

C. Post-Retirement Health Care Benefits

Plan Description

Penasco Independent School District No. 4 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

IV. OTHER INFORMATION (cont'd)

C. Post-Retirement Health Care Benefits (cont'd)

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.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$66,192, \$63,505, and \$57,449, respectively, which equal the required contributions for each year.

D. 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

IV. OTHER INFORMATION (cont'd)

E. Restatement

There was a restatement of the financials for \$64,657 for the implementation of GASB65 which requires issuance costs associated with general obligation bond issues to be expensed in the year in which they are incurred.

F. Cash Flows

The District's federal and state grants operate on a reimbursement basis. 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's cash flows and the ability to deliver educational services to the community in an effective manner. This could affect the District's financial operations in subsequent years.

G. Subsequent Events

Subsequent events were evaluated through October 9, 2013, which is the date the financial statements were available to be issued.

GENERAL FUNDS
YEAR ENDED JUNE 30, 2013

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, 2013

	General Funds			Total General Funds
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
ASSETS				
Pooled cash and investments	\$ 521,252	\$ 61	\$ 9,285	\$ 530,598
Receivables:				
Property taxes	10,957	-	-	10,957
Due from other governments	268	-	-	268
Due from other funds	189,898	-	-	189,898
Total assets	\$ 722,375	\$ 61	\$ 9,285	\$ 731,721
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 21,496	\$ -	\$ -	\$ 21,496
Deposits held for others	60	-	-	60
Total liabilities	21,556	-	-	21,556
Deferred inflows of resources:				
Delinquent property taxes	10,588	-	-	10,588
Total liabilities and deferred inflows of resources	32,144	-	-	32,144
Fund balance:				
Unassigned	690,231	61	9,285	699,577
Total liabilities, deferred inflows of resources, and fund balance	\$ 722,375	\$ 61	\$ 9,285	\$ 731,721

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, 2013

	General Funds			
	Operational	Transportation	Instructional	Total General
	<u>Fund #11000</u>	<u>Fund #13000</u>	<u>Fund #14000</u>	<u>Fund</u>
Revenues:				
Federal sources:				
Public Law 874	\$ 36,205	\$ -	\$ -	\$ 36,205
Forest reserve	26,404	-	-	26,404
Federal flowthrough grants	11,600	-	-	11,600
Federal direct grants	7,326	-	-	7,326
State sources:				
State equalization guarantee	4,605,950	-	-	4,605,950
Transportation	-	231,800	-	231,800
State instructional material	-	-	28,914	28,914
State grant	62,678	-	-	62,678
Local sources:				
Grant	69,301	-	-	69,301
District school tax levy	10,643	-	-	10,643
Fees and activities	6,900	-	-	6,900
Earnings from investments	422	-	-	422
Miscellaneous	<u>15,386</u>	<u>-</u>	<u>-</u>	<u>15,386</u>
Total revenue	<u>4,852,815</u>	<u>231,800</u>	<u>28,914</u>	<u>5,113,529</u>
Expenditures:				
Current:				
Instruction	2,439,575	-	26,660	2,466,235
Support Services:				
Students	526,831	-	-	526,831
Instruction	20,961	-	-	20,961
General Administration	210,819	-	-	210,819
School Administration	322,389	-	-	322,389
Central Services	259,292	-	-	259,292
Operation & Maintenance of Plant	743,984	-	-	743,984
Student Transportation	17,315	231,783	-	249,098
Other Support Services	<u>20,044</u>	<u>-</u>	<u>-</u>	<u>20,044</u>
Total expenditures	<u>4,561,210</u>	<u>231,783</u>	<u>26,660</u>	<u>4,819,653</u>
Excess of revenues over expenditures	291,605	17	2,254	293,876
Fund balance at beginning of the year	<u>398,626</u>	<u>44</u>	<u>7,031</u>	<u>405,701</u>
Fund balance at end of the year	<u>\$ 690,231</u>	<u>\$ 61</u>	<u>\$ 9,285</u>	<u>\$ 699,577</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Public Law 874	\$ 31,492	\$ 31,492	\$ 36,205	\$ 4,713
Forest reserve	-	-	26,405	26,405
Federal grant	10,000	10,000	7,326	(2,674)
Federal direct grant	539	539	11,600	11,061
State sources:				
State equalization guarantee	4,605,679	4,592,650	4,605,950	13,300
State grant	15,250	15,250	62,678	47,428
Local sources:				
Grant	2,000	54,518	69,301	14,783
District school tax levy	8,814	8,814	10,351	1,537
Fees and activities	4,299	4,299	6,900	2,601
Earnings from investments	500	500	422	(78)
Miscellaneous	3,000	3,000	15,386	12,386
Total revenues	4,681,573	4,721,062	4,852,524	131,462
Expenditures:				
Current:				
Instruction	2,442,975	2,546,923	2,439,286	107,637
Support Services:				
Students	510,796	561,644	522,193	39,451
Instruction	42,759	23,304	20,961	2,343
General Administration	219,043	242,523	202,569	39,954
School Administration	324,364	336,415	322,222	14,193
Central Services	277,769	273,499	259,105	14,394
Operation & Maintenance of Plant	916,688	862,854	742,712	120,142
Student Transportation	28,395	20,273	17,315	2,958
Other Support Services	33,818	47,845	16,526	31,319
Total expenditures	4,796,607	4,915,280	4,542,889	372,391
Excess (deficiency) of revenues over expenditures	(115,034)	(194,218)	309,635	503,853
Beginning cash balance budgeted	115,034	194,218	-	(194,218)
Fund balance at beginning of the year	-	-	398,626	398,626
Fund balance at end of the year	\$ -	\$ -	708,261	\$ 708,261
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			8,331	
Change in due from other governments			84	
Change in payables			(18,321)	
Change in deferred property taxes			(8,124)	
			\$ 690,231	

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 230,111	\$ 231,800	\$ 231,800	\$ -
 Expenditures:				
Current:				
Support Services:				
Student Transportation	<u>230,111</u>	<u>231,800</u>	<u>231,783</u>	<u>17</u>
Excess of revenues over expenditures	-	-	17	17
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>44</u>	<u>44</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>61</u>	<u>\$ 61</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 61</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State instructional material	\$ 28,878	\$ 31,554	\$ 28,914	\$ (2,640)
 Expenditures:				
Current:				
Instruction	<u>35,909</u>	<u>38,585</u>	<u>26,660</u>	<u>11,925</u>
Excess (deficiency) of revenues over expenditures	(7,031)	(7,031)	2,254	9,285
Beginning cash balance budgeted	7,031	7,031	-	(7,031)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>7,031</u>	<u>7,031</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>9,285</u>	<u><u>\$ 9,285</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ 9,285</u></u>	

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Food Service <u>Fund #21000</u>	Athletics <u>Fund #22000</u>	Title I <u>Fund #24101</u>	Entitlement IDEA-B <u>Fund #24106</u>
ASSETS				
Pooled cash and investments	\$ 43,800	\$ 30,913	\$ -	\$ -
Receivables:				
Grant	-	-	35,487	25,095
Food inventory	<u>17,767</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 61,567</u>	<u>\$ 30,913</u>	<u>\$ 35,487</u>	<u>\$ 25,095</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 3,211	\$ 716	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>35,487</u>	<u>25,095</u>
Total liabilities	3,211	716	35,487	25,095
Deferred inflows of resources:				
Advances of federal, state, and local grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>3,211</u>	<u>716</u>	<u>35,487</u>	<u>25,095</u>
Fund balance:				
Non-spendable:				
Inventories	17,767	-	-	-
Restricted for:				
Special revenue funds	40,589	30,197	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>58,356</u>	<u>30,197</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 61,567</u>	<u>\$ 30,913</u>	<u>\$ 35,487</u>	<u>\$ 25,095</u>

(cont'd; 1 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Preschool IDEA-B Fund #24109	21st Century Community Learning Fund #24119	IDEA-B "Risk Pool" Fund #24120	Title III English Language Fund #24153
ASSETS				
Pooled cash and investments	\$ -	\$ 5,846	\$ -	\$ -
Receivables:				
Grant	375	-	464	2,408
Food inventory	-	-	-	-
Total assets	\$ 375	\$ 5,846	\$ 464	\$ 2,408
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	375	-	464	2,408
Total liabilities	375	-	464	2,408
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	5,846	-	-
Total liabilities and deferred inflows of resources	375	5,846	464	2,408
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 375	\$ 5,846	\$ 464	\$ 2,408

(cont'd; 2 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Title II Teacher Quality <u>Fund #24154</u>	Rural & Low- Income Schools <u>Fund #24160</u>	Impact Aid Special Education <u>Fund #25145</u>	Impact Aid Indian Education <u>Fund #25147</u>
ASSETS				
Pooled cash and investments	\$ -	\$ 296	\$ 13,599	\$ 47,908
Receivables:				
Grant	7,817	-	-	-
Food inventory	-	-	-	-
 Total assets	 <u>\$ 7,817</u>	 <u>\$ 296</u>	 <u>\$ 13,599</u>	 <u>\$ 47,908</u>
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	7,817	-	-	-
 Total liabilities	 7,817	 -	 -	 -
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	296	-	-
 Total liabilities and deferred inflows of resources	 <u>7,817</u>	 <u>296</u>	 <u>-</u>	 <u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	13,599	47,908
Capital projects funds	-	-	-	-
 Total fund balance	 <u>-</u>	 <u>-</u>	 <u>13,599</u>	 <u>47,908</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 7,817</u>	 <u>\$ 296</u>	 <u>\$ 13,599</u>	 <u>\$ 47,908</u>

(cont'd; 3 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Title XIX Medicaid <u>Fund #25153</u>	Child & Adult Food Program <u>Fund #25171</u>	Indian Ed Formula Grant <u>Fund #25184</u>	Elementary School Counseling <u>Fund #25215</u>
ASSETS				
Pooled cash and investments	\$ 110,230	\$ 166	\$ 2	\$ -
Receivables:				
Grant	-	-	-	21
Food inventory	-	-	-	-
Total assets	<u>\$ 110,230</u>	<u>\$ 166</u>	<u>\$ 2</u>	<u>\$ 21</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 201	\$ -	\$ -	\$ 21
Due to other funds	-	-	-	-
Total liabilities	201	-	-	21
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Total liabilities and deferred inflows of resources	<u>201</u>	<u>-</u>	<u>-</u>	<u>21</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	110,029	166	2	-
Capital projects funds	-	-	-	-
Total fund balance	<u>110,029</u>	<u>166</u>	<u>2</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 110,230</u>	<u>\$ 166</u>	<u>\$ 2</u>	<u>\$ 21</u>

(cont'd; 4 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	LANL Foundation <u>Fund #26113</u>	Drawing from the Well <u>Fund #26147</u>	Dual Credit Instructional Materials <u>Fund #27103</u>	School Bus <u>Fund #27104</u>
ASSETS				
Pooled cash and investments	\$ 27,560	\$ 4,662	\$ -	\$ -
Receivables:				
Grant	-	-	388	-
Food inventory	-	-	-	-
Total assets	<u>\$ 27,560</u>	<u>\$ 4,662</u>	<u>\$ 388</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	388	-
Total liabilities	-	-	388	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Total liabilities and deferred inflows of resources	-	-	388	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	27,560	4,662	-	-
Capital projects funds	-	-	-	-
Total fund balance	<u>27,560</u>	<u>4,662</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 27,560</u>	<u>\$ 4,662</u>	<u>\$ 388</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Go Bond Library <u>Fund #27105</u>	Libraries GO Bond 2010 <u>Fund #27106</u>	Writing to Read <u>Fund #27111</u>	Beginning Teacher Mentoring <u>Fund #27154</u>
ASSETS				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Grant	-	1,044	-	1,472
Food inventory	-	-	-	-
Total assets	\$ -	\$ 1,044	\$ -	\$ 1,472
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	1,044	-	1,472
Total liabilities	-	1,044	-	1,472
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Total liabilities and deferred inflows of resources	-	1,044	-	1,472
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	\$ -	\$ 1,044	\$ -	\$ 1,472

(cont'd; 6 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			
	Breakfast for Elementary Students <u>Fund #27155</u>	K-Plus Initiative <u>Fund #27159</u>	Kindergarten 3- Plus <u>Fund #27166</u>	State Discretionary IDEA-B <u>Fund #27200</u>
ASSETS				
Pooled cash and investments	\$ 2,047	\$ -	\$ -	\$ 2,007
Receivables:				
Grant	-	13,167	14,801	-
Food inventory	-	-	-	-
	-	-	-	-
Total assets	\$ 2,047	\$ 13,167	\$ 14,801	\$ 2,007
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	13,167	14,801	-
	-	13,167	14,801	-
Total liabilities	-	13,167	14,801	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
	-	-	-	-
Total liabilities and deferred inflows of resources	-	13,167	14,801	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	2,047	-	-	2,007
Capital projects funds	-	-	-	-
	-	-	-	-
Total fund balance	2,047	-	-	2,007
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,047	\$ 13,167	\$ 14,801	\$ 2,007

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STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds			Total Non-Major Special Funds
	Library Books Fund #27549	Child and Adult Care Food Program Fund #28201	No Kid Hungry Fund #29102	
ASSETS				
Pooled cash and investments	\$ 3	\$ -	\$ -	\$ 289,039
Receivables:				
Grant	-	10,056	4,945	117,540
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,767</u>
Total assets	<u>\$ 3</u>	<u>\$ 10,056</u>	<u>\$ 4,945</u>	<u>\$ 424,346</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ 6,652	\$ -	\$ 10,801
Due to other funds	<u>-</u>	<u>3,404</u>	<u>4,945</u>	<u>110,867</u>
Total liabilities	-	10,056	4,945	121,668
Deferred inflows of resources:				
Advances of federal, state, and local grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,142</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>10,056</u>	<u>4,945</u>	<u>127,810</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	17,767
Restricted for:				
Special revenue funds	3	-	-	278,769
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>3</u>	<u>-</u>	<u>-</u>	<u>296,536</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 3</u>	<u>\$ 10,056</u>	<u>\$ 4,945</u>	<u>\$ 424,346</u>

(cont'd; 8 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2013

	Capital Projects Funds		Total	Total Nonmajor
	Special Capital Outlay - State <u>Fund #31400</u>	Public School Capital Outlay - 20% <u>Fund #32100</u>	Non-Major Capital Projects <u>Funds</u>	Governmental <u>Funds</u>
ASSETS				
Pooled cash and investments	\$ 39,791	\$ 1,170	\$ 40,961	\$ 330,000
Receivables:				
Grant	-	-	-	117,540
Food inventory	-	-	-	17,767
Total assets	\$ 39,791	\$ 1,170	\$ 40,961	\$ 465,307
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 10,801
Due to other funds	-	-	-	110,867
Total liabilities	-	-	-	121,668
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	6,142
Total liabilities and deferred inflows of resources	-	-	-	127,810
Fund balance:				
Non-spendable:				
Inventories	-	-	-	17,767
Restricted for:				
Special revenue funds	-	-	-	278,769
Capital projects funds	39,791	1,170	40,961	40,961
Total fund balance	39,791	1,170	40,961	337,497
Total liabilities, deferred inflows of resources, and fund balance	\$ 39,791	\$ 1,170	\$ 40,961	\$ 465,307

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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, 2013

Special Revenue Funds

	<u>Food Service</u>	<u>Athletics</u>	<u>Title I</u>	<u>Entitlement</u>	<u>Preschool</u>
	<u>Fund #21000</u>	<u>Fund #22000</u>	<u>Fund #24101</u>	<u>IDEA-B</u>	<u>IDEA-B</u>
				<u>Fund #24106</u>	<u>Fund #24109</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ 148,126	\$ 100,460	\$ 4,058
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	243,904	-	-	-	-
USDA Commodities	13,242	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	<u>4,306</u>	<u>40,423</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>261,452</u>	<u>40,423</u>	<u>148,126</u>	<u>100,460</u>	<u>4,058</u>
Expenditures:					
Current:					
Instruction	-	54,494	109,805	74,192	4,058
Support Services:					
Students	-	-	-	19,995	-
Instruction	-	-	-	-	-
General Administration	-	-	8,569	-	-
School Administration	-	-	29,752	-	-
Central Services	-	-	-	222	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	6,051	-
Food Services Operations	268,039	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>268,039</u>	<u>54,494</u>	<u>148,126</u>	<u>100,460</u>	<u>4,058</u>
Excess (deficiency) of revenues over expenditures	(6,587)	(14,071)	-	-	-
Fund balance at beginning of the year	<u>64,943</u>	<u>44,268</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 58,356</u>	<u>\$ 30,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 1 of 8)

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, 2013

	Special Revenue Funds			
	21st Century Community Learning Centers <u>Fund #24119</u>	IDEA-B "Risk Pool" <u>Fund #24120</u>	Title III English Language <u>Fund #24153</u>	Title II Teacher Quality <u>Fund #24154</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 464	\$ -	\$ 48,524
Federal direct grants	-	-	-	-
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	-	-	-	-
Local sources:				
Grant	-	-	-	-
Fees and activities	-	-	-	-
Total revenue	-	464	-	48,524
Expenditures:				
Current:				
Instruction	-	196	-	42,377
Support Services:				
Students	-	268	-	-
Instruction	-	-	-	-
General Administration	-	-	-	2,807
School Administration	-	-	-	3,340
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	464	-	48,524
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -

(cont'd; 2 of 8)

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, 2013

	Special Revenue Funds				
	Rural & Low- Income Schools <u>Fund #24160</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:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	48,821	405
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	-	1,768	7,714	48,821	405
Expenditures:					
Current:					
Instruction	-	-	28,099	1,309	-
Support Services:					
Students	-	-	-	37,842	-
Instruction	-	-	-	-	-
General Administration	-	-	-	3,187	-
School Administration	-	-	-	40	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	200	-
Student Transportation	-	-	-	280	-
Food Services Operations	-	-	-	-	239
Community Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	-	28,099	42,858	239
Excess (deficiency) of revenues over expenditures	-	1,768	(20,385)	5,963	166
Fund balance at beginning of the year	-	11,831	68,293	104,066	-
Fund balance at end of the year	\$ -	\$ 13,599	\$ 47,908	\$ 110,029	\$ 166

(cont'd; 3 of 8)

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, 2013

	Special Revenue Funds				
	Indian Ed Formula Grant <u>Fund #25184</u>	Elementary School Counseling <u>Fund #25215</u>	LANL Foundation <u>Fund #26113</u>	Drawing from the Well <u>Fund #26147</u>	Dual Credit Instructional Materials <u>Fund #27103</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	5,329	350,259	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	1,453
Local sources:					
Grant	-	-	22,574	-	-
Fees and activities	-	-	-	-	-
Total revenue	<u>5,329</u>	<u>350,259</u>	<u>22,574</u>	<u>-</u>	<u>1,453</u>
Expenditures:					
Current:					
Instruction	3,579	21,508	26,290	-	1,453
Support Services:					
Students	250	257,866	-	-	-
Instruction	-	-	-	-	-
General Administration	-	19,020	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	853	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	1,498	51,012	13,029	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>5,327</u>	<u>350,259</u>	<u>39,319</u>	<u>-</u>	<u>1,453</u>
Excess (deficiency) of revenues over expenditures	2	-	(16,745)	-	-
Fund balance at beginning of the year	-	-	44,305	4,662	-
Fund balance at end of the year	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 27,560</u>	<u>\$ 4,662</u>	<u>\$ -</u>

(cont'd; 4 of 8)

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, 2013

	Special Revenue Funds				
	<u>School Bus</u> <u>Fund #27104</u>	<u>Go Bond</u> <u>Library</u> <u>Fund #27105</u>	<u>Libraries GO</u> <u>Bond 2010</u> <u>Fund #27106</u>	<u>Writing to Read</u> <u>Fund #27111</u>	<u>Beginning</u> <u>Teacher</u> <u>Mentoring</u> <u>Fund #27154</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	80,038	-	2,872	3,502	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	<u>80,038</u>	<u>-</u>	<u>2,872</u>	<u>3,502</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	-	-	-	-	-
Support Services:					
Students	-	-	-	3,502	-
Instruction	-	-	2,872	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	<u>80,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>80,038</u>	<u>-</u>	<u>2,872</u>	<u>3,502</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 5 of 8)

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, 2013

	Special Revenue Funds				
	Breakfast for Elementary Students <u>Fund #27155</u>	K-Plus Initiative <u>Fund #27159</u>	Kindergarten 3-Plus <u>Fund #27166</u>	State Discretionary IDEA-B <u>Fund #27200</u>	Library Books <u>Fund #27549</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	9,559	-	14,801	2,007	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	9,559	-	14,801	2,007	-
Expenditures:					
Current:					
Instruction	-	-	14,801	-	-
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services Operations	7,512	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	7,512	-	14,801	-	-
Excess (deficiency) of revenues over expenditures	2,047	-	-	2,007	-
Fund balance at beginning of the year	-	-	-	-	3
Fund balance at end of the year	\$ 2,047	\$ -	\$ -	\$ 2,007	\$ 3

(cont'd; 6 of 8)

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, 2013

	Special Revenue Funds		
	Child and Adult Care Food Program <u>Fund #28201</u>	No Kid Hungry <u>Fund #29102</u>	Total Nonmajor Special Revenue <u>Funds</u>
Revenues:			
Federal sources:			
Federal flowthrough grants	\$ -	\$ -	\$ 301,632
Federal direct grants	-	-	404,814
Food and milk reimbursements	-	-	243,904
USDA Commodities	-	-	13,242
State sources:			
State grant	10,057	-	124,289
Local sources:			
Grant	-	6,309	28,883
Fees and activities	-	-	44,729
Total revenue	10,057	6,309	1,170,975
Expenditures:			
Current:			
Instruction	-	7,924	390,085
Support Services:			
Students	-	-	319,723
Instruction	-	-	2,872
General Administration	-	-	33,583
School Administration	-	-	33,132
Central Services	-	-	222
Operation & Maintenance of Plant	-	-	200
Student Transportation	-	-	7,184
Food Services Operations	10,057	-	285,847
Community Services	-	-	65,539
Capital outlay	-	-	80,038
Total expenditures	10,057	7,924	1,218,425
Excess (deficiency) of revenues over expenditures	-	(1,615)	(47,450)
Fund balance at beginning of the year	-	1,615	343,986
Fund balance at end of the year	\$ -	\$ -	\$ 296,536

(cont'd; 7 of 8)

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, 2013

	Capital Projects			
	Special Capital Outlay - State <u>Fund #31400</u>	Public School Capital Outlay - 20% <u>Fund #32100</u>	Total Nonmajor Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ 301,632
Federal direct grants	-	-	-	404,814
Food and milk reimbursements	-	-	-	243,904
USDA Commodities	-	-	-	13,242
State sources:				
State grant	-	-	-	124,289
Local sources:				
Grant	-	-	-	28,883
Fees and activities	-	-	-	44,729
Total revenue	-	-	-	1,170,975
Expenditures:				
Current:				
Instruction	-	-	-	390,085
Support Services:				
Students	-	-	-	319,723
Instruction	-	-	-	2,872
General Administration	-	-	-	33,583
School Administration	-	-	-	33,132
Central Services	-	-	-	222
Operation & Maintenance of Plant	-	-	-	200
Student Transportation	-	-	-	7,184
Food Services Operations	-	-	-	285,847
Community Services	-	-	-	65,539
Capital outlay	-	-	-	80,038
Total expenditures	-	-	-	1,218,425
Excess (deficiency) of revenues over expenditures	-	-	-	(47,450)
Fund balance at beginning of the year	39,791	1,170	40,961	384,947
Fund balance at end of the year	\$ 39,791	\$ 1,170	\$ 40,961	\$ 337,497

BUDGETARY PRESENTATION

NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

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.

21ST CENTURY COMMUNITY LEARNING CENTERS

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.

IDEA-B "RISK POOL"

The IDEA-B "Risk Pool" 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.

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.

TITLE II TEACHER QUALITY

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.

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.

NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

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.

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.

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.

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.

SCHOOL BUS

To provide school buses that meet the New Mexico School Bus Construction Standards and must be ordered by October 1,2012.

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

NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2013

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

WRITING TO READ

To purchase Discovery Education Assessment for English language arts and math in grades 4 through 10 for the school year 2012-2013.

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.

KINDERGARTEN 3-PLUS

To account for funds received to provide the opportunity for the district to address early literacy. The fullday kindergarten program is the first step in the implementation of a sequential early literacy approach to teaching reading.

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.

CHILD AND ADULT CARE 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.

NO KID HUNGRY

To support the summer food program.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

FOOD SERVICE FUND - NO. 21000
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 264,147	\$ 264,147	\$ 256,503	\$ (7,644)
Local sources:				
Fees and activities	<u>4,000</u>	<u>4,000</u>	<u>4,306</u>	<u>306</u>
Total revenues	268,147	268,147	260,809	(7,338)
Expenditures:				
Current:				
Food Services Operations	<u>271,846</u>	<u>298,025</u>	<u>246,887</u>	<u>51,138</u>
Excess (deficiency) of revenues over expenditures	(3,699)	(29,878)	13,922	43,800
Beginning cash balance budgeted	3,699	29,878	-	(29,878)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>64,943</u>	<u>64,943</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	78,865	<u>\$ 78,865</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(8,099)	
Change in grant receivable			(12,599)	
Change in payables			<u>189</u>	
			<u>\$ 58,356</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

ATHLETICS FUND - NO. 22000
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Fees and activities	\$ 53,600	\$ 53,600	\$ 40,423	\$ (13,177)
 Expenditures:				
Current:				
Instruction	<u>95,836</u>	<u>95,836</u>	<u>54,028</u>	<u>41,808</u>
Excess (deficiency) of revenues over expenditures	(42,236)	(42,236)	(13,605)	28,631
Beginning cash balance budgeted	42,236	42,236	-	(42,236)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>44,268</u>	<u>44,268</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	30,663	<u><u>\$ 30,663</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in receivables			250	
Change in payables			<u>(716)</u>	
			<u>\$ 30,197</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

TITLE I FUND - NO. 24101
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 130,122	\$ 149,253	\$ 194,787	\$ 45,534
Expenditures:				
Current:				
Instruction	89,965	110,000	109,805	195
Support Services:				
General Administration	7,527	8,634	8,569	65
School Administration	32,630	30,619	29,752	867
Total expenditures	130,122	149,253	148,126	1,127
Excess of revenues over expenditures	-	-	46,661	46,661
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	46,661	\$ 46,661
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(46,661)	
			\$ -	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

ENTITLEMENT IDEA-B FUND - NO. 24106
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 159,693	\$ 96,416	\$ (63,277)
 Expenditures:				
Current:				
Instruction	-	120,290	74,192	46,098
Support Services:				
Students	-	31,142	19,995	11,147
Central Services	-	300	222	78
Student Transportation	-	7,961	6,051	1,910
Total expenditures	-	159,693	100,460	59,233
 Excess (deficiency) of revenues over expenditures	-	-	(4,044)	(4,044)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(4,044)	\$ (4,044)
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			4,044	
			\$ -	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

PRESCHOOL IDEA-B FUND - NO. 24109
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 7,768	\$ 8,936	\$ 1,168
Expenditures:				
Current:				
Instruction	-	6,464	4,058	2,406
Support Services:				
Students	-	1,304	-	1,304
Total expenditures	-	7,768	4,058	3,710
Excess of revenues over expenditures	-	-	4,878	4,878
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	4,878	<u>\$ 4,878</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(4,878)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

21ST CENTURY COMMUNITY LEARNING CENTERS FUND - NO. 24119
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 38,789	\$ 38,789
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	38,789	38,789
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	38,789	<u>\$ 38,789</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(32,943)	
Change in deferred revenue			<u>(5,846)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

IDEA-B "RISK POOL" FUND - NO. 24120
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 607	\$ -	\$ (607)
Expenditures:				
Current:				
Instruction	-	300	196	104
Support Services:				
Students	-	307	268	39
Total expenditures	-	607	464	143
Excess (deficiency) of revenues over expenditures	-	-	(464)	(464)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(464)	<u>\$ (464)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			464	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

TITLE III ENGLISH LANGUAGE FUND - NO. 24153
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	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

TITLE II TEACHER QUALITY FUND - NO. 24154
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 50,557	\$ 114,692	\$ 48,190	\$ (66,502)
Expenditures:				
Current:				
Instruction	42,707	98,132	42,377	55,755
Support Services:				
General Administration	2,779	6,489	2,807	3,682
School Administration	5,071	10,071	3,340	6,731
Total expenditures	50,557	114,692	48,524	66,168
Excess (deficiency) of revenues over expenditures	-	-	(334)	(334)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(334)	\$ (334)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			334	
			\$ -	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

RURAL & LOW-INCOME SCHOOLS FUND - NO. 24160
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	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

IMPACT AID SPECIAL EDUCATION FUND - NO. 25145
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ -	\$ 1,768	\$ 1,768
 Expenditures:				
Current:				
Instruction	-	11,831	-	11,831
Excess (deficiency) of revenues over expenditures	-	(11,831)	1,768	13,599
Beginning cash balance budgeted	-	11,831	-	(11,831)
Fund balance at beginning of the year	-	-	11,831	11,831
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	13,599	<u>\$ 13,599</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 13,599</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

IMPACT AID INDIAN EDUCATION FUND - NO. 25147
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ -	\$ 7,714	\$ 7,714
 Expenditures:				
Current:				
Instruction	-	58,892	28,099	30,793
Support Services:				
Instruction	-	2,000	-	2,000
School Administration	-	4,000	-	4,000
Student Transportation	-	3,400	-	3,400
Total expenditures	-	68,292	28,099	40,193
 Excess (deficiency) of revenues over expenditures	-	(68,292)	(20,385)	47,907
 Beginning cash balance budgeted	-	68,292	-	(68,292)
 Fund balance at beginning of the year	-	-	68,293	68,293
Fund balance at end of the year	\$ -	\$ -	47,908	\$ 47,908
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ 47,908	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

TITLE XIX MEDICAID FUND - NO. 25153
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 40,000	\$ 40,000	\$ 48,821	\$ 8,821
 Expenditures:				
Current:				
Instruction	2,600	5,600	1,309	4,291
Support Services:				
Students	39,336	44,896	37,842	7,054
General Administration	59,387	50,827	2,986	47,841
School Administration	200	200	40	160
Student Transportation	400	400	200	200
Other Support Services	400	400	280	120
 Capital outlay:				
Equipment	2,000	2,000	-	2,000
 Total expenditures	111,323	111,323	42,657	68,666
 Excess (deficiency) of revenues over expenditures	(71,323)	(71,323)	6,164	77,487
 Beginning cash balance budgeted	71,323	71,323	-	(71,323)
 Fund balance at beginning of the year	-	-	104,066	104,066
Fund balance at end of the year	\$ -	\$ -	110,230	\$ 110,230
 RECONCILIATION TO GAAP BASIS:				
Change in payables			(201)	
			\$ 110,029	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

CHILD & ADULT FOOD PROGRAM FUND - NO. 25171
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Positive (Negative)</u>
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 1,871	\$ 267	\$ (1,604)
 Expenditures:				
Current:				
Food Services Operations	-	1,871	239	1,632
Excess of revenues over expenditures	-	-	28	28
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	28	<u>\$ 28</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			138	
			<u>\$ 166</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

INDIAN ED FORMULA GRANT FUND - NO. 25184
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 5,312	\$ 5,331	\$ 10,471	\$ 5,140
Expenditures:				
Current:				
Instruction	3,562	3,581	3,579	2
Support Services:				
Students	250	250	250	-
Community Services Operations	<u>1,500</u>	<u>1,500</u>	<u>1,498</u>	<u>2</u>
Total expenditures	<u>5,312</u>	<u>5,331</u>	<u>5,327</u>	<u>4</u>
Excess of revenues over expenditures	-	-	5,144	5,144
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>	5,144	<u>\$ 5,144</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(5,142)</u>	
			<u>\$ 2</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

ELEMENTARY SCHOOL COUNSELING FUND - NO. 25215
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 231,307	\$ 568,487	\$ 371,707	\$ (196,780)
Expenditures:				
Current:				
Instruction	-	66,150	21,508	44,642
Support Services:				
Students	219,284	350,915	258,168	92,747
General Administration	12,023	33,440	19,020	14,420
School Administration	-	785	-	785
Student Transportation	-	5,212	853	4,359
Community Services Operations	-	101,697	51,012	50,685
Capital outlay:				
Equipment	-	10,288	-	10,288
Total expenditures	231,307	568,487	350,561	217,926
Excess 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	
			\$ -	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

LANL FOUNDATION FUND - NO. 26113
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ 22,574	\$ 22,574	\$ -
 Expenditures:				
Current:				
Instruction	43,509	52,204	26,290	25,914
Community Services Operations	-	13,879	13,029	850
Total expenditures	43,509	66,083	39,319	26,764
Excess (deficiency) of revenues over expenditures	(43,509)	(43,509)	(16,745)	26,764
Beginning cash balance budgeted	43,509	43,509	-	(43,509)
Fund balance at beginning of the year	-	-	44,305	44,305
Fund balance at end of the year	\$ -	\$ -	27,560	\$ 27,560
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ 27,560	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

DRAWING FROM THE WELL FUND - NO. 26147
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

DUAL CREDIT INSTRUCTIONAL MATERIALS FUND - NO. 27103
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 1,453	\$ 1,065	\$ (388)
 Expenditures:				
Current:				
Instruction	-	1,453	1,453	-
 Excess (deficiency) of revenues over expenditures	-	-	(388)	(388)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(388)	<u>\$ (388)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>388</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHOOL BUS FUND - NO. 27104
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 80,038	\$ 80,038	\$ -
 Expenditures:				
Capital outlay:				
Equipment	-	80,038	80,038	-
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

GO BOND LIBRARY FUND - NO. 27105
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 1,727	\$ 1,727
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	1,727	1,727
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,727	<u>\$ 1,727</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(1,727)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

LIBRARIES GO BOND 2010 FUND - NO. 27106
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 6,428	\$ 6,428	\$ 1,828	\$ (4,600)
 Expenditures:				
Current:				
Support Services:				
Instruction	<u>6,428</u>	<u>6,428</u>	<u>2,872</u>	<u>3,556</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,044)	(1,044)
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>	(1,044)	<u>\$ (1,044)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>1,044</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

WRITING TO READ FUND - NO. 27111
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 3,502	\$ 3,502	\$ -
Expenditures:				
Current:				
Support Services:				
Students	-	3,502	3,502	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

BEGINNING TEACHER MENTORING FUND - NO. 27154
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	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

BREAKFAST FOR ELEMENTARY STUDENTS FUND - NO. 27155
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 8,226	\$ 6,724	\$ (1,502)
 Expenditures:				
Current:				
Food Services Operations	-	8,226	7,512	714
Excess (deficiency) of revenues over expenditures	-	-	(788)	(788)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(788)	<u>\$ (788)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>2,835</u>	
			<u>\$ 2,047</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

K-PLUS INITIATIVE FUND - NO. 27159
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	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

KINDERGARTEN 3-PLUS FUND - NO. 27166
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 28,735	\$ -	\$ (28,735)
 Expenditures:				
Current:				
Instruction	-	28,598	14,801	13,797
Support Services:				
Students	-	23	-	23
Instruction	-	114	-	114
Total expenditures	-	28,735	14,801	13,934
 Excess (deficiency) of revenues over expenditures	-	-	(14,801)	(14,801)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(14,801)	<u>\$ (14,801)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>14,801</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

STATE DISCRETIONARY IDEA-B FUND - NO. 27200
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 16,500	\$ 16,500
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	16,500	16,500
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	16,500	<u>\$ 16,500</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(14,493)	
			<u>\$ 2,007</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

LIBRARY BOOKS FUND - NO. 27549
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
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

CHILD AND ADULT CARE FOOD PROGRAM FUND - NO. 28201
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 30,886	\$ -	\$ (30,886)
 Expenditures:				
Current:				
Food Services Operations	-	30,886	3,405	27,481
 Excess (deficiency) of revenues over expenditures	-	-	(3,405)	(3,405)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3,405)	<u>\$ (3,405)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			10,057	
Change in payables			<u>(6,652)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NO KID HUNGRY FUND - NO. 29102
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ 10,903	\$ 1,364	\$ (9,539)
 Expenditures:				
Current:				
Instruction	-	7,924	7,924	-
Food Services Operations	-	2,979	-	2,979
Total expenditures	-	10,903	7,924	2,979
 Excess (deficiency) of revenues over expenditures	-	-	(6,560)	(6,560)
 Fund balance at beginning of the year	-	-	1,615	1,615
 Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(4,945)	<u>\$ (4,945)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			4,945	
			<u>\$ -</u>	

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CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2013

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.

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 FUND - NO. 31100
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 51,139	\$ 51,139
Local sources:				
Earnings from investments	<u>800</u>	<u>800</u>	<u>743</u>	<u>(57)</u>
Total revenues	<u>800</u>	<u>800</u>	<u>51,882</u>	<u>51,082</u>
Expenditures:				
Current:				
Support Services:				
Operation & Maintenance of Plant	406,565	406,565	6,269	400,296
Capital outlay:				
Land and improvements	75,000	135,000	-	135,000
Construction in progress	<u>700,000</u>	<u>640,000</u>	<u>108,232</u>	<u>531,768</u>
Total expenditures	<u>1,181,565</u>	<u>1,181,565</u>	<u>114,501</u>	<u>1,067,064</u>
Excess (deficiency) of revenues over expenditures	(1,180,765)	(1,180,765)	(62,619)	1,118,146
Beginning cash balance budgeted	1,180,765	1,180,765	-	(1,180,765)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,189,179</u>	<u>1,189,179</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,126,560</u>	<u>\$ 1,126,560</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(32,826)</u>	
			<u>\$ 1,093,734</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SPECIAL CAPITAL OUTLAY - STATE FUND - NO. 31400
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	39,791	39,791
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>\$ 39,791</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

CAPITAL IMPROVEMENTS SB-9 FUND - NO. 31700
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 236,903	\$ 236,903	\$ 264,197	\$ 27,294
Local sources:				
District school tax levy	-	-	25,444	25,444
Total revenues	236,903	236,903	289,641	52,738
Expenditures:				
Current:				
Support Services:				
General Administration	-	400	31	369
Operation & Maintenance of Plant	358,138	357,938	145,499	212,439
Capital outlay:				
Land and improvements	50,000	50,000	-	50,000
Equipment	85,000	85,000	-	85,000
Construction in progress	145,112	144,912	-	144,912
Total expenditures	638,250	638,250	145,530	492,720
Excess (deficiency) of revenues over expenditures	(401,347)	(401,347)	144,111	545,458
Beginning cash balance budgeted	401,347	401,347	-	(401,347)
Fund balance at beginning of the year	-	-	141,808	141,808
Fund balance at end of the year	\$ -	\$ -	285,919	\$ 285,919
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			13,361	
Change in due from other governments			(164)	
Change in payables			(605)	
Change in deferred property taxes			(13,174)	
			\$ 285,337	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

PUBLIC SCHOOL CAPITAL OUTLAY - 20% FUND - NO. 32100
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				<u>(Negative)</u>
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
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>	

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DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2013

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 178,403	\$ 178,403	\$ 163,005	\$ (15,398)
Expenditures:				
Current:				
Support Services:				
General Administration	1,784	2,584	1,630	954
Debt service:				
Principal retirement	85,000	85,000	85,000	-
Bond interest paid	93,403	93,403	93,403	-
Reserves	155,260	154,460	-	154,460
Total expenditures	335,447	335,447	180,033	155,414
Excess (deficiency) of revenues over expenditures	(157,044)	(157,044)	(17,028)	140,016
Beginning cash balance budgeted	157,044	157,044	-	(157,044)
Fund balance at beginning of the year	-	-	181,607	181,607
Fund balance at end of the year	\$ -	\$ -	164,579	\$ 164,579
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			145,562	
Change in due from other governments			806	
Change in deferred property taxes			(141,510)	
			\$ 169,437	

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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, 2013

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2013</u>
95000	Elementary School	\$ 35,106	\$ 30,723	\$ 25,808	\$ 40,021
96000	Junior High School	64,196	18,331	21,915	60,612
97000	Primeros Pasos Pre-K	<u>1,662</u>	<u>-</u>	<u>-</u>	<u>1,662</u>
	Deposits held for others	<u>\$ 100,964</u>	<u>\$ 49,054</u>	<u>\$ 47,723</u>	<u>\$ 102,295</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHEDULE OF PLEDGED COLLATERAL
 June 30, 2013

	<u>Centinel Bank</u>
Cash on deposit at June 30, 2013	\$ 3,075,227
Less FDIC coverage	<u>250,000</u>
Uninsured funds	<u><u>\$ 2,825,227</u></u>
50% collateral requirement	\$ 1,412,614
Pledged collateral	<u>1,452,495</u>
Excess (deficiency) of pledged collateral	<u><u>\$ 39,881</u></u>

Pledged collateral of financial institutions consists of the following at June 30, 2013

<u>Centinel Bank:</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
Farmington SD	9/1/2017	311441HN2	\$ 57,498
Pojoaque SD	8/1/2014	73085PAYS	29,997
Clovis SD	8/1/2025	1894145Q9	300,000
Pojoaque SD	8/1/2013	73085PAX7	250,000
Questa SD	7/1/2017	74837KAE9	210,000
Jemez SD	8/1/2023	475868EG6	210,000
Ruidoso SD	8/1/2020	781338JD1	125,000
Espanola SD	9/1/2025	29662RAW8	<u>270,000</u>
			<u><u>\$ 1,452,495</u></u>

The above securities are held at Federal Reserve Bank in Denver, CO.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

CASH RECONCILIATION
 June 30, 2013

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Other</u>	<u>Net Cash End of Period</u>	<u>Adjustments to the report</u>	<u>Total Cash on Report</u>
Operations	\$ 193,400	\$ 4,852,524	\$ (4,542,890)	\$ 18,218	\$ 521,252	\$ -	\$ 521,252
Transportation	44	231,800	(231,783)	-	61	-	61
Instructional Materials	7,031	28,914	(26,660)	-	9,285	-	9,285
Food Services	29,878	260,809	(246,887)	-	43,800	-	43,800
Athletics	44,268	40,423	(53,778)	-	30,913	-	30,913
Federal Flowthrough Funds	296	387,118	(301,949)	(79,323)	6,142	-	6,142
Federal Direct Funds	184,328	617,490	(648,652)	52,742	205,908	-	205,908
Local Grants	48,967	22,574	(39,319)	-	32,222	-	32,222
State Flowthrough Funds	2,838	111,384	(110,178)	13	4,057	-	4,057
State Direct Funds	-	-	(3,405)	3,405	-	-	-
Local/State	1,615	1,364	(7,924)	4,945	-	-	-
Bond Building	1,189,179	51,882	(114,501)	-	1,126,560	-	1,126,560
Special Capital Outlay - State	39,791	-	-	-	39,791	-	39,791
Capital Improvements SB-9	142,848	289,641	(145,529)	-	286,960	-	286,960
Public School Capital Outlay - 20%	1,170	-	-	-	1,170	-	1,170
Debt Service	174,368	163,005	(180,032)	-	157,341	-	157,341
Agency Funds	-	-	-	-	-	102,295	102,295
Total	\$ 2,060,021	\$ 7,058,928	\$ (6,653,487)	\$ -	\$ 2,465,462	\$ 102,295	\$ 2,567,757

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	Adjustments to report:	
Operational	Checking - Interest	Centinel Bank	\$ 743,710	Agency funds	<u>\$ 102,295</u>
Payroll	Checking - Non-interest	Centinel Bank	321,684		
High School	Checking - Non-interest	Centinel Bank	-	Adjustments to cash:	
Activity	Checking - Non-interest	Centinel Bank	98,107	Bank Balance	\$ 3,078,282
Federal	Checking - Non-interest	Centinel Bank	291,669	Cash on hand	100
Bond Buidling	Checking - Interest	Centinel Bank	<u>1,620,057</u>	Outstanding deposits	109,075
			<u>\$ 3,075,227</u>	Outstanding checks	<u>(619,700)</u>
				Total adjustment to cash	<u>\$ 2,567,757</u>
POOL-4101	LGIP	State Treasurer	\$ 2,664		
POOL-4102	Reserve	State Treasurer	<u>391</u>		
Total			<u>\$ 3,055</u>		

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Penasco Independent School District No. 4 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Penasco Independent School District No. 4's basic financial statements, and the combining and individual funds and related budgetary comparisons of Penasco Independent School District No. 4, presented as supplemental information, and have issued our report thereon dated October 9, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered Penasco Independent School District No. 4's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Penasco Independent School District No. 4's internal control. Accordingly, we do not express an opinion on the effectiveness of Penasco Independent School District No. 4's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Penasco Independent School District No. 4's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Penasco Independent School District No. 4's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting & Financial Solutions, LLC
Farmington, NM
October 9, 2013



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

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* 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, 2013. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Penasco Independent School District No. 4's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Penasco Independent School District No. 4's compliance.

Opinion on Each Major Federal Program

In our opinion, Penasco Independent School District No. 4 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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

Report on 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 types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Penasco Independent School District No. 4's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Penasco Independent School District No. 4's internal control over compliance.

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

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

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

Accounting & Financial Solutions, LLC
Farmington, NM
October 9, 2013

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2013

A. PRIOR YEAR AUDIT FINDINGS

NOT RESOLVED

No audit findings to report.

RESOLVED

- 2010 – 6 MISSING BACKGROUND CHECKS
Current Status: Resolved. Not repeated in the current year.
- 2012 – 2 CONTROL OVER RECEIPTS
Current Status: Resolved. Not repeated in the current year.
- 2012 – 3 PRENUMBERED RECEIPTS WITH THE DISTRICTS NAME ON THE RECEIPTS
Current Status: Resolved. Not repeated in the current year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2013

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 no 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 instances of noncompliance material to the financial statements of Penasco Independent School District No. 4 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 For Each Major Federal Program; Report On Internal Control Over Compliance; And Report On The Schedule Of Expenditures Of Federal Awards Required By 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:
 - Gear Up CFDA# 84.334; and
 - Elementary 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.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No findings to report.

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

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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, 2013

<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>26,404</u>
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition Cluster:</u>				
USDA National School Lunch Program	10.555	21000	187,230	
USDA School Breakfast Program	10.553	21000	<u>56,674</u>	
Total Child Nutrition Cluster				243,904
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		13,242
New Mexico Children, Youth, and Families:				
Child & Adult Food Program	10.558	25171		<u>239</u>
Subtotal Pass-Through Programs				<u>257,385</u>
Total U.S. Department of Agriculture				<u>283,789</u>
<u>U.S. Department of Education:</u>				
Direct Programs:				
Impact Aid Indian Education	84.041	25147		64,304
Indian Ed Formula Grant	84.060	25184		5,327
Elementary School Counseling	84.215E	25215		<u>350,259</u>
Subtotal Direct Programs				<u>419,890</u>
<u>U.S. Department of Education (continued):</u>				
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
Entitlement IDEA-B	84.027	24106	100,460	
Preschool IDEA-B	84.173	24109	4,058	
IDEA-B "Risk Pool"	84.027	24120	<u>464</u>	
Total Special Education (IDEA) Cluster				104,982
Title I	84.010	24101		148,126
Title II Teacher Quality	84.367	24154		48,524
New Mexico Department of Higher Education:				
Gear Up	84.334	25205		221,769
Subtotal Pass-Through Programs				<u>523,401</u>
Total U.S. Department of Education				<u>943,291</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>42,858</u>
Total Expenditures of Federal Awards				<u>\$ 1,269,938</u>

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013

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 March 2013 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 2013 cash and non-cash expenditures to ensure coverage of at least 25% (LOW risk auditee) of federally granted funds. Actual coverage is approximately 45% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$1,256,696 and all non-cash expenditures amounted to \$13,242.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2013 Expenditure</u>
Cash assistance:	
Gear Up	\$ 221,769
Elementary Counseling	350,259
Total	<u>\$ 572,028</u>

The District had one federal program, Elementary Counseling, that was considered high risk Type A program for the 2013.

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, 2013. 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 2013.

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REQUIRED DISCLOSURE

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REQUIRED DISCLOSURES

Year Ended June 30, 2013

REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held October 9, 2013, during which the audit findings were discussed. The exit conference was attended by the following individuals:

PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Mary Mascarenas	Secretary, Board of Education / Audit Committee
Darlene Ulibarri	Interim Superintendent
Elizabeth Romero	Business Manager; Member, Audit Committee

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
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