

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

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2014
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



ACCOUNTING & FINANCIAL
SOLUTIONS
CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION

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TABLE OF CONTENTS

Year Ended June 30, 2014

INTRODUCTORY SECTION

- Title Page
- iii Table of Contents
- 1 Official Roster

FINANCIAL SECTION

- 5 Independent Auditors' Report

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

- 8 Statement of Net Position
- 9 Statement of Activities

Fund Financial Statements:

- 10 Balance Sheet – Governmental Funds
- 13 Reconciliation of the Balance Sheet – All Governmental Funds to the Statement of Net Position
- 14 Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
- 17 Reconciliation of the Statement of Revenue, Expenditures, and Changes In Fund Balance – All Governmental Funds to the Statement of Activities

Major Funds:

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

- 18 General Fund
- 19 Entitlement IDEA-B Special Revenue Fund
- 20 Gear Up Special Revenue Fund
- 21 **Statement of Fiduciary Assets and Liabilities – Agency Funds**
- 23 **Notes to the Financial Statements**

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:

General Fund:

- 40 Combining Balance Sheet
- 41 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
- Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):
- 42 Operating Fund
- 43 Transportation Fund
- 44 Instructional Materials Fund

Nonmajor Governmental Funds:

- 46 Combining Balance Sheet
- 56 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Non-Major Special Revenue Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

- 69 Food Service
- 70 Athletics
- 71 Title I
- 72 Preschool IDEA-B
- 73 Fresh Fruits and Vegetables
- 74 21st Century Community Learning Centers
- 75 IDEA-B "Risk Pool"
- 76 Title III English Language
- 77 Title II Teacher Quality
- 78 Rural & Low-Income Schools
- 79 Impact Aid Special Education
- 80 Impact Aid Indian Education
- 81 Title XIX Medicaid
- 82 Child & Adult Food Program

TABLE OF CONTENTS

Year Ended June 30, 2014

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (cont'd):

Non-Major Special Revenue Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

83	Indian Ed Formula Grant
84	Elementary School Counseling
85	LANL Foundation
86	Drawing from the Well
87	Dual Credit Instructional Materials
88	Libraries GO Bond 2010
89	Libraries GO Bond 2012
90	Reads to Lead
91	Indian Education Act
92	Beginning Teacher Mentoring
93	Breakfast for Elementary Students
94	K-Plus Initiative
95	Kindergarten 3-Plus
96	STEM Teacher Initiative
97	New Mexico Grown
98	State Discretionary IDEA-B
99	Library Books
100	Child and Adult Care Food Program
101	No Kid Hungry

Capital Projects Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

104	Bond Building
105	Special Capital Outlay - State
106	Capital Improvements SB-9
107	Public School Capital Outlay - 20%

Debt Service Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

111	Debt Service Fund
-----	-------------------

OTHER SUPPLEMENTAL INFORMATION:

Fiduciary Funds:

114	Schedule of Changes in Assets and Liabilities – All Agency Funds
115	Schedule of Pledged Collateral
116	Cash Reconciliation

COMPLIANCE SECTION

119	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
121	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
123	Schedule of Findings and Questioned Costs
133	Summary Schedule of Prior Year Audit Findings
136	Schedule of Expenditures of Federal Awards
138	Notes to the Schedule of Expenditures of Federal Awards
139	Required Disclosure

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

OFFICIAL ROSTER
June 30, 2014

BOARD OF EDUCATION

Juliet Garcia-Gonzales	President
Audrey Dominguez	Vice-President
Mary Trujillo-Mascareñas	Secretary
Norman Esquibel	Member
Leroy Lopez	Member

SCHOOL OFFICIALS

Darlene Ulibarri	Superintendent
Elizabeth Romero	Business Manager

AUDIT COMMITTEE

Mary Trujillo-Mascareñas	Member
Juliet Garcia-Gonzales	Member
Darlene Ulibarri	Superintendent
Elizabeth Romero	Business Manager

FINANCE COMMITTEE

Michael Pacheco	Member
Norman Esquibel	Member
Leroy Lopez	Member
Cecilia Romero-Torres	Member
Darlene Ulibarri	Superintendent
Elizabeth Romero	Business Manager

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FINANCIAL SECTION

FISCAL YEAR 2014

JULY 1, 2013 THROUGH JUNE 30, 2014

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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, 2014, and the related notes to the financial statements which collectively comprise Penasco Independent School District No. 4 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 nonmajor governmental funds and the budgetary comparisons for the 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, 2014, 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, 2014, 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 of Penasco Independent School District No. 4 as of June 30, 2014, 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.

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 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 is presented for purpose of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 2014 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, New Mexico
November 11, 2014

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

STATEMENT OF NET POSITION
 June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,469,440
Receivables:	
Delinquent property taxes receivable	83,160
Grant	282,322
Due from other governments	7,814
USDA commodities inventory	14,498
Non-current:	
Non-depreciable assets	1,531,311
Depreciable capital assets, net	<u>9,787,064</u>
Total assets	<u>14,175,609</u>
LIABILITIES	
Accounts payable	157,503
Accrued salaries	947
Accrued interest	29,147
Deposits held for others	60
Compensated absences	42,740
Noncurrent liabilities:	
Due within one year	95,000
Due in more than one year	<u>1,909,870</u>
Total liabilities	<u>2,235,267</u>
Deferred inflows of resources:	
Advances of federal, state, and local grants	<u>790</u>
NET POSITION	
Net investment in capital assets	9,359,452
Restricted for:	
Inventories	14,498
Special revenue funds	200,903
Capital projects	1,031,312
Debt service	171,432
Unrestricted	<u>1,161,955</u>
Total net position	<u>\$ 11,939,552</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, 2014

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Primary government:					
Governmental activities:					
Instruction	\$ 3,171,130	\$ 3,025	\$ 415,570	\$ 271,923	\$ (2,480,612)
Support Services - Students	1,007,880	51,583	132,080	86,425	(737,792)
Support Services - Instruction	94,712	-	12,412	8,122	(74,178)
Support Services - General Administration	258,508	-	33,877	22,167	(202,464)
Support Services - School Administration	367,419	-	48,149	31,506	(287,764)
Central Services	289,788	-	37,976	-	(251,812)
Operations & Maintenance of Plant	914,019	-	119,780	-	(794,239)
Student Transportation	336,635	-	267,292	-	(69,343)
Other Support Services	17,609	-	2,308	-	(15,301)
Food Services	321,093	4,354	247,299	-	(69,440)
Community Services	66,540	-	8,720	-	(57,820)
Bond interest paid	88,711	-	-	-	(88,711)
Total governmental activities	\$ 6,934,044	\$ 58,962	\$ 1,325,463	\$ 420,143	(5,129,476)
			General revenues:		
			Property Taxes:		
			General purposes	4,005	
			Debt service	44,450	
			Capital projects	85,847	
			Grants and contributions not restricted	5,106,143	
			Unrestricted investment earnings	628	
			Total general revenues	5,241,073	
			Change in net position		111,597
			Net position - beginning		11,827,955
			Net position - ending		\$ 11,939,552

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, 2014

	General Fund	Entitlement IDEA-B Fund #24106	Gear Up Fund #25205	Bond Building Fund #31100
ASSETS				
Pooled cash and investments	\$ 1,020,271	\$ -	\$ -	\$ 712,520
Receivables:				
Property taxes	3,849	-	-	-
Grant	-	49,065	72,509	-
Due from other governments	351	-	-	-
Due from other funds	257,989	-	-	-
USDA commodities inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,282,460</u>	<u>\$ 49,065</u>	<u>\$ 72,509</u>	<u>\$ 712,520</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 73,483	\$ 454	\$ -	\$ 28,714
Accrued salaries	683	-	-	-
Due to other funds	-	48,611	72,509	-
Deposits held for others	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>74,226</u>	<u>49,065</u>	<u>72,509</u>	<u>28,714</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>3,539</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>3,539</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>77,765</u>	<u>49,065</u>	<u>72,509</u>	<u>28,714</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	683,806
Debt service	-	-	-	-
Unassigned	<u>1,204,695</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>1,204,695</u>	<u>-</u>	<u>-</u>	<u>683,806</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,282,460</u>	<u>\$ 49,065</u>	<u>\$ 72,509</u>	<u>\$ 712,520</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, 2014

	Capital Improvements SB-9 <u>Fund #31700</u>	Debt Service Fund #41000	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS				
Pooled cash and investments	\$ 309,507	\$ 161,825	\$ 265,317	\$ 2,469,440
Receivables:				
Property taxes	20,290	59,021	-	83,160
Grant	-	-	160,748	282,322
Due from other governments	1,979	5,484	-	7,814
Due from other funds	-	-	1,589	259,578
USDA commodities inventory	<u>-</u>	<u>-</u>	<u>14,498</u>	<u>14,498</u>
 Total assets	 <u>\$ 331,776</u>	 <u>\$ 226,330</u>	 <u>\$ 442,152</u>	 <u>\$ 3,116,812</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 31,750	\$ -	\$ 23,102	\$ 157,503
Accrued salaries	-	-	264	947
Due to other funds	-	-	138,458	259,578
Deposits held for others	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>
 Total liabilities	 <u>31,750</u>	 <u>-</u>	 <u>161,824</u>	 <u>418,088</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	790	790
Delinquent property taxes	<u>16,657</u>	<u>54,898</u>	<u>-</u>	<u>75,094</u>
 Total deferred inflows of resources	 <u>16,657</u>	 <u>54,898</u>	 <u>790</u>	 <u>75,884</u>
 Total liabilities and deferred inflows of resources	 <u>48,407</u>	 <u>54,898</u>	 <u>162,614</u>	 <u>493,972</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	14,498	14,498
Restricted for:				
Special revenue funds	-	-	200,903	200,903
Capital projects funds	283,369	-	64,137	1,031,312
Debt service	-	171,432	-	171,432
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,204,695</u>
 Total fund balance	 <u>283,369</u>	 <u>171,432</u>	 <u>279,538</u>	 <u>2,622,840</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 331,776</u>	 <u>\$ 226,330</u>	 <u>\$ 442,152</u>	 <u>\$ 3,116,812</u>

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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, 2014

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

Fund balances - total governmental funds	\$	2,622,840
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		28,099,788
Accumulated depreciation		(16,781,413)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		75,094
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		(1,975,000)
Accrued interest payable		(29,147)
Accrued vacation payable		(42,740)
Bond premiums		(29,870)
		(29,870)
Net position of governmental activities	\$	11,939,552

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, 2014

	General Fund	Entitlement IDEA-B Fund #24106	Gear Up Fund #25205	Bond Building Fund #31100
Revenues:				
Federal sources:				
Public Law 874	\$ 23,805	\$ -	\$ -	\$ -
Forest reserve	24,300	-	-	-
Federal flowthrough grants	8,594	117,948	-	-
Federal direct grants	23,006	-	219,536	-
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State equalization guarantee	4,666,142	-	-	-
Transportation	267,292	-	-	-
State instructional material	24,660	-	-	-
State grant	2,780	-	-	-
Local sources:				
Grant	22,770	-	-	-
District school tax levy	11,054	-	-	-
Fees and activities	3,025	-	-	-
Earnings from investments	628	-	-	655
Miscellaneous	8,300	-	-	-
Total revenue	<u>5,086,356</u>	<u>117,948</u>	<u>219,536</u>	<u>655</u>
Expenditures:				
Current:				
Instruction	2,137,402	105,968	128,666	-
Support Services:				
Students	583,025	923	8,152	-
Instruction	18,246	-	74,396	-
General Administration	202,394	-	-	-
School Administration	297,003	-	-	-
Central Services	257,879	-	-	-
Operation & Maintenance of Plant	787,958	-	-	25,221
Student Transportation	281,661	11,057	-	-
Other Support Services	15,670	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	8,322	-
Capital outlay	-	-	-	750,998
Debt service:				
Principal retirement	-	-	-	-
Bond interest paid	-	-	-	-
Total expenditures	<u>4,581,238</u>	<u>117,948</u>	<u>219,536</u>	<u>776,219</u>
Excess (deficiency) of revenues over expenditures	<u>505,118</u>	<u>-</u>	<u>-</u>	<u>(775,564)</u>
Other financing sources and financing uses:				
County revenue bonds	-	-	-	365,636
Refunds	-	-	-	-
Total other financing sources and financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>365,636</u>
Net change in fund balance	505,118	-	-	(409,928)
Fund balance at beginning of the year	<u>699,577</u>	<u>-</u>	<u>-</u>	<u>1,093,734</u>
Fund balance at end of the year	<u>\$ 1,204,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 683,806</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
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2014

	Capital Improvements SB-9 <u>Fund #31700</u>	Debt Service <u>Fund #41000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:				
Federal sources:				
Public Law 874	\$ -	\$ -	\$ 9,114	\$ 32,919
Forest reserve	-	-	-	24,300
Federal flowthrough grants	-	-	166,946	293,488
Federal direct grants	-	-	389,602	632,144
Food and milk reimbursements	-	-	229,201	229,201
USDA Commodities	-	-	18,098	18,098
State sources:				
State equalization guarantee	-	-	-	4,666,142
Transportation	-	-	-	267,292
State instructional material	-	-	-	24,660
State grant	30,676	-	205,979	239,435
Local sources:				
Grant	-	-	30,611	53,381
District school tax levy	90,890	183,759	-	285,703
Fees and activities	-	-	55,937	58,962
Earnings from investments	-	-	-	1,283
Miscellaneous	-	-	252	8,552
Total revenue	<u>121,566</u>	<u>183,759</u>	<u>1,105,740</u>	<u>6,835,560</u>
Expenditures:				
Current:				
Instruction	-	-	449,914	2,821,950
Support Services:				
Students	-	-	304,800	896,900
Instruction	-	-	4,287	96,929
General Administration	865	1,862	24,922	230,043
School Administration	-	-	29,959	326,962
Central Services	-	-	-	257,879
Operation & Maintenance of Plant	-	-	195	813,374
Student Transportation	-	-	6,849	299,567
Other Support Services	-	-	-	15,670
Food Services Operations	-	-	285,737	285,737
Community Services	-	-	50,891	59,213
Capital outlay	122,669	-	-	873,667
Debt service:				
Principal retirement	-	90,000	-	90,000
Bond interest paid	-	89,902	-	89,902
Total expenditures	<u>123,534</u>	<u>181,764</u>	<u>1,157,554</u>	<u>7,157,793</u>
Excess (deficiency) of revenues over expenditures	<u>(1,968)</u>	<u>1,995</u>	<u>(51,814)</u>	<u>(322,233)</u>
Other financing sources and financing uses:				
County revenue bonds	-	-	-	365,636
Refunds	-	-	(6,145)	(6,145)
Total other financing sources and financing uses	<u>-</u>	<u>-</u>	<u>(6,145)</u>	<u>359,491</u>
Net change in fund balance	(1,968)	1,995	(57,959)	37,258
Fund balance at beginning of the year	<u>285,337</u>	<u>169,437</u>	<u>337,497</u>	<u>2,585,582</u>
Fund balance at end of the year	<u>\$ 283,369</u>	<u>\$ 171,432</u>	<u>\$ 279,538</u>	<u>\$ 2,622,840</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 STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

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

Net change in fund balance - total governmental funds	\$	37,258
<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		873,667
Depreciation		(753,755)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
<p>Deferred property taxes at:</p>		
June 30, 2013		(226,495)
June 30, 2014		75,094
<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 premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These differences in the treatment of long-term debt and related items consist of:</p>		
Current year principal payments		90,000
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>		
<p>Compensated absences at:</p>		
June 30, 2013		55,386
June 30, 2014		(42,740)
<p>Accrued interest at:</p>		
June 30, 2013		30,338
June 30, 2014		(29,147)
Change in net position of governmental activities	\$	<u>111,597</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Public Law 874	\$ 25,306	\$ 25,306	\$ 23,805	\$ (1,501)
Forest reserve	-	-	24,300	24,300
Federal grant	-	-	8,594	8,594
Federal direct grant	5,000	5,000	23,007	18,007
State sources:				
State equalization guarantee	4,688,448	4,688,448	4,666,142	(22,306)
Transportation	256,593	265,089	267,292	2,203
State instructional material	21,984	21,984	24,660	2,676
State grant	-	-	2,780	2,780
Local sources:				
Grant	1,000	1,000	22,763	21,763
District school tax levy	35,945	35,945	11,028	(24,917)
Fees and activities	4,000	4,000	3,026	(974)
Earnings from investments	500	500	628	128
Miscellaneous	-	-	8,009	8,009
Total revenues	<u>5,038,776</u>	<u>5,047,272</u>	<u>5,086,034</u>	<u>38,762</u>
Expenditures:				
Current:				
Instruction	2,624,169	2,536,723	2,119,652	417,071
Support Services:				
Students	524,830	654,901	544,532	110,369
Instruction	25,259	22,759	18,246	4,513
General Administration	230,293	314,903	209,753	105,150
School Administration	318,862	319,255	297,020	22,235
Central Services	250,491	318,224	258,067	60,157
Operation & Maintenance of Plant	1,007,322	1,052,238	763,788	288,450
Student Transportation	282,349	294,713	281,661	13,052
Other Support Services	<u>57,847</u>	<u>66,733</u>	<u>19,188</u>	<u>47,545</u>
Total expenditures	<u>5,321,422</u>	<u>5,580,449</u>	<u>4,511,907</u>	<u>1,068,542</u>
Excess (deficiency) of revenues over expenditures	(282,646)	(533,177)	574,127	1,107,304
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(17,047)</u>	<u>(17,047)</u>
Net change in fund balance	(282,646)	(533,177)	557,080	1,090,257
Beginning cash balance budgeted	282,646	533,177	-	(533,177)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>699,577</u>	<u>699,577</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,256,657</u>	<u>\$ 1,256,657</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(7,109)	
Change in due from other governments			84	
Change in payables			(51,986)	
Change in deferred property taxes			<u>7,049</u>	
			<u>\$ 1,204,695</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

ENTITLEMENT IDEA-B FUND - NO. 24106
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 167,752	\$ 93,979	\$ (73,773)
Expenditures:				
Current:				
Instruction	-	144,713	105,968	38,745
Support Services:				
Students	-	10,358	468	9,890
Central Services	-	1,500	-	1,500
Student Transportation	-	11,181	11,057	124
Total expenditures	-	167,752	117,493	50,259
Excess (deficiency) of revenues over expenditures	-	-	(23,514)	(23,514)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(23,514)	\$ (23,514)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			23,968	
Change in payables			(454)	
			\$ -	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 220,000	\$ 220,000	\$ 192,055	\$ (27,945)
 Expenditures:				
Current:				
Instruction	118,086	129,057	128,666	391
Support Services:				
Students	32,351	8,158	8,152	6
Instruction	69,563	74,418	74,396	22
Community Services Operations	-	8,367	8,322	45
Total expenditures	220,000	220,000	219,536	464
Excess (deficiency) of revenues over expenditures	-	-	(27,481)	(27,481)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(27,481)	\$ (27,481)
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			27,481	
			\$ -	

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, 2014

ASSETS

Pooled cash and investments	\$ 96,317
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LIABILITIES

Deposits held for others	\$ 96,317
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The notes to the financial statements are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE	PAGE
I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting Entity	24
1. Blended Component Units	
2. Discretely Presented Component Units	
B. Government-Wide and Fund Financial Statements	24
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	25
1. Major Funds	26
D. Assets, Liabilities, and Net Position or Equity	26
II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
A. Budgetary Information	31
B. Budgetary Violations	31
C. Deficit Fund Equity	31
III. DETAILED NOTES ON ALL FUNDS	
A. Cash and Temporary Investments	32
B. Receivables	32
C. Capital Assets	33
D. Inter-Fund Receivables and Payables	34
E. Inter-Fund Transfers	34
F. Long-Term Debt	35
IV. OTHER INFORMATION	36

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

Generally Accepted Accounting Principles (GAAP) requires that financial statements present the District (primary government) and its component units. The District has no component units that are required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*.

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 GAAP as applied to governmental units. 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, 2014

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

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

During fiscal year 2014, Penasco Independent School District No. 4 adopted the following GASB Statements:

- 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 70, *Accounting and Financial Reporting for Nonexchange Financial*, 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.

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

- 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 requires the liability of defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. This Statement will be effective for the year ended June 30, 2015.
- GASB 69, *Government Combinations and Disposals of Government Operations*, which 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 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (Amendment to GASB 68)*, improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. This Statement will be effective at the implementation of GASB 68.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

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

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.

Entitlement IDEA-B – 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.

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 Fund 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 - 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

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

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 present 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

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

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.

Accumulated sick leave is not payable upon termination and is recorded as expenditures when it is paid.

6. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of Net 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, 2014.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

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

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, 2014.

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.

8. *Net Position*

Net Position is presented on the Statement of Net Position and may be presented in any of three components.

a. Net investment in capital assets

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 is 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 "net investment in capital assets" 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

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

9. *Indirect Costs*

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

10. *Estimates*

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

11. *Revenues*

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$4,666,142 in state equalization guarantee distributions during the year ended June 30, 2014.

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 \$267,292 in transportation distributions during the year ended June 30, 2014.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

The school district follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.
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, 2014 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	\$ 5,321,422	\$ 5,580,449
Special Revenue Fund	1,515,181	1,874,429
Capital Projects Fund	1,430,071	3,080,921
Debt Service Fund	<u>306,112</u>	<u>306,112</u>
Totals	<u>\$ 8,572,786</u>	<u>\$ 10,841,911</u>

B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2014.

C. Deficit Fund Equity

There were not any deficit fund balances as of June 30, 2014.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2014, the carrying amount of the District's deposits was \$2,565,757 and the bank balance was \$3,037,111 with the difference consisting of outstanding checks. Of this balance \$250,000 was covered by federal depository insurance and \$1,562,495 was covered by collateral held in joint safekeeping by a third party.

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, 2014, \$1,224,616 of the District's bank balance of \$3,037,111 was exposed to custodial risk as follows:

Uninsured and uncollateralized	\$ 1,224,616
Uninsured and collateral held by pledging bank's trust dept not in the District's name	<u>1,562,495</u>
Total uninsured	2,787,111
Insured (FDIC)	<u>250,000</u>
Total deposits	<u><u>\$ 3,037,111</u></u>
State of New Mexico collateral requirement:	
50% of uninsured public fund bank deposits	\$ 1,393,556
Pledged security	<u>1,562,495</u>
Over collateralization	<u><u>\$ 168,939</u></u>

The collateral pledged is listed on Page 115 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.

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	
	<u>Property Taxes</u>	<u>Grant</u>	<u>Governments</u>	<u>Funds</u>
Major Funds:				
General	\$ 3,849	\$ -	\$ 351	\$ 257,989
Entitlement IDEA-B	-	49,065	-	-
Gear Up	-	72,509	-	-
Capital Improvements SB - 9	20,290	-	1,979	-
Debt Service	59,021	-	5,484	-
Other Governmental Funds	-	<u>160,748</u>	-	<u>1,589</u>
Total	<u><u>\$ 83,160</u></u>	<u><u>\$ 282,322</u></u>	<u><u>\$ 7,814</u></u>	<u><u>\$ 259,578</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

B. Receivables (cont'd)

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	\$ -	\$ 790
Delinquent property taxes		
General Fund	3,539	-
Capital Improvements SB - 9	16,657	-
Debt Service Fund	54,898	-
Total deferred/unearned revenue for governmental funds	\$ 75,094	\$ 790

C. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,531,311	\$ -	\$ -	\$ 1,531,311
Capital assets being depreciated:				
Land improvements	1,629,311	170,445	-	1,799,756
Buildings and improvements	23,315,386	650,825	(28,682)	23,937,529
Furniture, fixtures, and equipment	827,317	52,397	(48,522)	831,192
Total capital assets being depreciated	25,772,014	873,667	(77,204)	26,568,477
Less accumulated depreciation for:				
Land improvements	(473,315)	(105,621)	-	(578,936)
Buildings and improvements	(15,010,118)	(607,037)	28,682	(15,588,473)
Furniture, fixtures, and equipment	(621,429)	(41,097)	48,522	(614,004)
Total accumulated depreciation	(16,104,862)	(753,755)	77,204	(16,781,413)
Total capital assets being depreciated, net	9,667,152	119,912	-	9,787,064
Total capital assets, net	\$ 11,198,463	\$ 119,912	\$ -	\$ 11,318,375

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

C. Capital Assets (cont'd)

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

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 349,163
Support Services - Students	110,985
Support Services - Instruction	10,429
Support Services - General Administration	28,466
Support Services - School Administration	40,459
Central Services	31,911
Operations & Maintenance of Plant	100,649
Student Transportation	37,069
Other Support Services	1,939
Food Services	35,358
Community Services	<u>7,327</u>
Total Depreciation Expense	<u>\$ 753,755</u>

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

Construction commitments

The District is involved in long-term construction projects as part of their master plan for upgrading the district buildings. The amount in the capital projects funds 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, 2014 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 257,989	\$ -
IDEA-B Entitlement	-	48,611
Gear Up	-	72,509
Other Governmental Funds	<u>1,589</u>	<u>138,458</u>
Total	<u>\$ 259,578</u>	<u>\$ 259,578</u>

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

E. Inter-Fund Transfers

There were not any inter-fund transfers during the year ended June 30, 2014.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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

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, 2014 are as follows:

<u>General Obligations Bonds</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance</u>	<u>Due Within One Year</u>
Series 2009	5/1/2024	\$ 2,230,000	3.75% to 5.15%	\$ 1,975,000	\$ 95,000

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

	<u>Balance</u>
Bonds payable	\$ 1,975,000
Less: current maturities	(95,000)
Unamortized:	
Bond premiums	29,870
Total non-current liabilities	<u>\$ 1,909,870</u>

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

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
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	110,000	70,577	180,577
2020 - 2024	650,000	274,510	924,510
2025 - 2029	<u>820,000</u>	<u>106,419</u>	<u>926,419</u>
Total	<u>\$ 1,975,000</u>	<u>\$ 774,441</u>	<u>\$ 2,749,441</u>

Changes in long term debt – During the year ended June 30, 2014 the following changes occurred in liabilities reported in the general obligation bonds account group:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Compensated absences:					
Compensated vacation	\$ 55,386	\$ 25,755	\$ 38,401	\$ 42,740	\$ 42,740
Bonds payable	<u>2,065,000</u>	<u>-</u>	<u>90,000</u>	<u>1,975,000</u>	<u>95,000</u>
	<u>\$ 2,120,386</u>	<u>\$ 25,755</u>	<u>\$ 128,401</u>	<u>\$ 2,017,740</u>	<u>\$ 137,740</u>

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2013.

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: 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 2014, the District was required to contribute 13.15% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 13.15% 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, 2014, 2013, and 2012, were \$431,120, \$364,877, and \$328,705, respectively, which equal the amount of the required contributions for each fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

IV. OTHER INFORMATION (cont'd)

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.

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, 2014, 2013 and 2012 were \$65,052, \$66,192, and \$63,505, respectively, which equal the required contributions for each year.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

IV. OTHER INFORMATION (cont'd)

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.

E. 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.

F. Memorandums of Understanding

Taos County

Taos County issued improvement revenue bonds during September 2013 in the amount of \$22,000,000 payable from gross receipts tax. The District's total share of these bonds is \$1,483,975 to be used for capital projects as defined by 1978NMSA 7-20E-20. The District further agrees that it intends to own, occupy, and operate the capital projects for the term of the bonds which mature April 1, 2023. The District reasonably expects (1) to enter into contracts with third parties for capital projects described on Exhibit B obligating expenditures in excess of 5% of the District's proportionate share of the proceeds of the Bonds within six (6) months of the date of this Certificate; (2) that the capital projects will commence within six (6) months of the date of this certificate and will proceed with due diligence to completion; and (3) that at least 85% of the District's proportionate share of the proceeds will be spent on capital projects within three (3) years of the date of this certificate. The District's drawdown and expenditures of these funds are as follows:

<u>Fiscal Year</u>	<u>Amount Expended</u>	<u>Percentage Used During Year</u>	<u>Percentage Used to Date</u>
2014	\$ 365,636	24.64%	24.64%

G. Subsequent Events

Subsequent events were evaluated through November 11, 2014, which is the date the financial statements were available to be issued.

GENERAL FUNDS
YEAR ENDED JUNE 30, 2014

OPERATING FUND (Fund No. 11000)

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 (Fund No. 13000)

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 (Fund No. 14000)

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, 2014

	General Funds			Total General Funds
	<u>Operational Fund #11000</u>	<u>Transportation Fund #13000</u>	<u>Instructional Materials Fund #14000</u>	
ASSETS				
Pooled cash and investments	\$ 1,016,759	\$ 2,279	\$ 1,233	\$ 1,020,271
Receivables:				
Property taxes	3,849	-	-	3,849
Due from other governments	351	-	-	351
Due from other funds	<u>257,989</u>	<u>-</u>	<u>-</u>	<u>257,989</u>
Total assets	<u>\$ 1,278,948</u>	<u>\$ 2,279</u>	<u>\$ 1,233</u>	<u>\$ 1,282,460</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 73,483	\$ -	\$ -	\$ 73,483
Accrued salaries	683	-	-	683
Deposits held for others	<u>60</u>	<u>-</u>	<u>-</u>	<u>60</u>
Total liabilities	74,226	-	-	74,226
Deferred inflows of resources:				
Delinquent property taxes	<u>3,539</u>	<u>-</u>	<u>-</u>	<u>3,539</u>
Total liabilities and deferred inflows of resources	<u>77,765</u>	<u>-</u>	<u>-</u>	<u>77,765</u>
Fund balance:				
Unassigned	<u>1,201,183</u>	<u>2,279</u>	<u>1,233</u>	<u>1,204,695</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,278,948</u>	<u>\$ 2,279</u>	<u>\$ 1,233</u>	<u>\$ 1,282,460</u>

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, 2014

	General Funds			Total General Fund
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
Revenues:				
Federal sources:				
Public Law 874	\$ 23,805	\$ -	\$ -	\$ 23,805
Forest reserve	24,300	-	-	24,300
Federal flowthrough grants	8,594	-	-	8,594
Federal direct grants	23,006	-	-	23,006
State sources:				
State equalization guarantee	4,666,142	-	-	4,666,142
Transportation	-	267,292	-	267,292
State instructional material	-	-	24,660	24,660
State grant	2,780	-	-	2,780
Local sources:				
Grant	22,770	-	-	22,770
District school tax levy	11,054	-	-	11,054
Fees and activities	3,025	-	-	3,025
Earnings from investments	628	-	-	628
Miscellaneous	8,300	-	-	8,300
Total revenue	4,794,404	267,292	24,660	5,086,356
Expenditures:				
Current:				
Instruction	2,104,690	-	32,712	2,137,402
Support Services:				
Students	583,025	-	-	583,025
Instruction	18,246	-	-	18,246
General Administration	202,394	-	-	202,394
School Administration	297,003	-	-	297,003
Central Services	257,879	-	-	257,879
Operation & Maintenance of Plant	787,958	-	-	787,958
Student Transportation	16,587	265,074	-	281,661
Other Support Services	15,670	-	-	15,670
Total expenditures	4,283,452	265,074	32,712	4,581,238
Excess (deficiency) of revenues over expenditures	510,952	2,218	(8,052)	505,118
Other financing uses:				
Transfers in	-	-	-	-
Net change in fund balance	510,952	2,218	(8,052)	505,118
Fund balance at beginning of the year	690,231	61	9,285	699,577
Fund balance at end of the year	\$ 1,201,183	\$ 2,279	\$ 1,233	\$ 1,204,695

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Positive <u>(Negative)</u>
Revenues:				
Federal sources:				
Public Law 874	\$ 25,306	\$ 25,306	\$ 23,805	\$ (1,501)
Forest reserve	-	-	24,300	24,300
Federal grant	-	-	8,594	8,594
Federal direct grant	5,000	5,000	23,007	18,007
State sources:				
State equalization guarantee	4,688,448	4,688,448	4,666,142	(22,306)
State grant	-	-	2,780	2,780
Local sources:				
Grant	1,000	1,000	22,763	21,763
District school tax levy	35,945	35,945	11,028	(24,917)
Fees and activities	4,000	4,000	3,026	(974)
Earnings from investments	500	500	628	128
Miscellaneous	-	-	8,308	8,308
Total revenues	<u>4,760,199</u>	<u>4,760,199</u>	<u>4,794,381</u>	<u>34,182</u>
Expenditures:				
Current:				
Instruction	2,590,260	2,502,814	2,087,239	415,575
Support Services:				
Students	524,830	654,901	544,532	110,369
Instruction	25,259	22,759	18,246	4,513
General Administration	230,293	314,903	209,753	105,150
School Administration	318,862	319,255	297,020	22,235
Central Services	250,491	318,224	258,067	60,157
Operation & Maintenance of Plant	1,007,322	1,052,238	763,788	288,450
Student Transportation	25,756	29,624	16,587	13,037
Other Support Services	<u>57,847</u>	<u>66,733</u>	<u>19,188</u>	<u>47,545</u>
Total expenditures	<u>5,030,920</u>	<u>5,281,451</u>	<u>4,214,420</u>	<u>1,067,031</u>
Excess (deficiency) of revenues over expenditures	(270,721)	(521,252)	579,961	1,101,213
Other financing uses:				
Transfers out	-	-	<u>(17,047)</u>	<u>(17,047)</u>
Net change in fund balance	(270,721)	(521,252)	562,914	1,084,166
Beginning cash balance budgeted	270,721	521,252	-	(521,252)
Fund balance at beginning of the year	-	-	<u>690,231</u>	<u>690,231</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,253,145</u>	<u>\$ 1,253,145</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(7,109)	
Change in due from other governments			84	
Change in payables			(51,986)	
Change in deferred property taxes			<u>7,049</u>	
			<u>\$ 1,201,183</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

TRANSPORTATION FUND - NO. 13000
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 256,593	\$ 265,089	\$ 267,292	\$ 2,203
 Expenditures:				
Current:				
Support Services:				
Student Transportation	<u>256,593</u>	<u>265,089</u>	<u>265,074</u>	<u>15</u>
Excess of revenues over expenditures	-	-	2,218	2,218
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>61</u>	<u>61</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>2,279</u>	<u>\$ 2,279</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 2,279</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State instructional material	\$ 21,984	\$ 21,984	\$ 24,660	\$ 2,676
 Expenditures:				
Current:				
Instruction	<u>33,909</u>	<u>33,909</u>	<u>32,712</u>	<u>1,197</u>
Excess (deficiency) of revenues over expenditures	(11,925)	(11,925)	(8,052)	3,873
Beginning cash balance budgeted	11,925	11,925	-	(11,925)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>9,285</u>	<u>9,285</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>1,233</u>	<u><u>\$ 1,233</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ 1,233</u></u>	

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Funds		
	<u>Food Service</u>	<u>Athletics</u>	<u>Title I</u>
	<u>Fund #21000</u>	<u>Fund #22000</u>	<u>Fund #24101</u>
ASSETS			
Pooled cash and investments	\$ 33,060	\$ 25,574	\$ -
Receivables:			
Grant	19,668	-	28,105
Due from other funds	-	-	-
USDA commodities inventory	<u>14,498</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 67,226</u>	<u>\$ 25,574</u>	<u>\$ 28,105</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 17,529	\$ 793	\$ -
Accrued salaries	264	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>28,105</u>
Total liabilities	17,793	793	28,105
Deferred inflows of resources:			
Advances of federal, state, and local grants	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>17,793</u>	<u>793</u>	<u>28,105</u>
Fund balance:			
Non-spendable:			
Inventories	14,498	-	-
Restricted for:			
Special revenue funds	34,935	24,781	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>49,433</u>	<u>24,781</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 67,226</u>	<u>\$ 25,574</u>	<u>\$ 28,105</u>

(cont'd; 1 of 10)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Funds			
	Preschool IDEA-B <u>Fund #24109</u>	Fresh Fruits and Vegetables <u>Fund #24118</u>	21st Century Community Learning Centers <u>Fund #24119</u>	IDEA-B "Risk Pool" <u>Fund #24120</u>
ASSETS				
Pooled cash and investments	\$ -	\$ 322	\$ -	\$ -
Receivables:				
Grant	1,158	-	-	-
Due from other funds	-	1,120	-	-
USDA commodities inventory	-	-	-	-
Total assets	<u>\$ 1,158</u>	<u>\$ 1,442</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ 192	\$ -	\$ -
Accrued salaries	-	-	-	-
Due to other funds	<u>1,158</u>	<u>674</u>	<u>-</u>	<u>-</u>
Total liabilities	1,158	866	-	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	<u>-</u>	<u>576</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,158</u>	<u>1,442</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,158</u>	<u>\$ 1,442</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 2 of 10)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Funds			
	Title III English Language <u>Fund #24153</u>	Title II Teacher Quality <u>Fund #24154</u>	Rural & Low- Income Schools <u>Fund #24160</u>	Impact Aid Special Education <u>Fund #25145</u>
ASSETS				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ 17,559
Receivables:				
Grant	-	10,092	-	-
Due from other funds	-	-	-	-
USDA commodities inventory	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 10,092</u>	<u>\$ -</u>	<u>\$ 17,559</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-
Due to other funds	-	10,092	-	-
Total liabilities	-	10,092	-	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Total liabilities and deferred inflows of resources	-	10,092	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	17,559
Capital projects funds	-	-	-	-
Total fund balance	-	-	-	17,559
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ 10,092</u>	<u>\$ -</u>	<u>\$ 17,559</u>

(cont'd; 3 of 10)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Funds			
	Impact Aid Indian Education <u>Fund #25147</u>	Title XIX Medicaid <u>Fund #25153</u>	Child & Adult Food Program <u>Fund #25171</u>	Indian Ed Formula Grant <u>Fund #25184</u>
ASSETS				
Pooled cash and investments	\$ 23,810	\$ 88,732	\$ 214	\$ 2
Receivables:				
Grant	-	-	-	-
Due from other funds	-	-	-	-
USDA commodities inventory	-	-	-	-
	-	-	-	-
Total assets	\$ 23,810	\$ 88,732	\$ 214	\$ 2
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-
Due to other funds	-	-	-	-
	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	214	-
	-	-	214	-
Total liabilities and deferred inflows of resources	-	-	214	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	23,810	88,732	-	2
Capital projects funds	-	-	-	-
	-	-	-	-
Total fund balance	23,810	88,732	-	2
Total liabilities, deferred inflows of resources, and fund balance	\$ 23,810	\$ 88,732	\$ 214	\$ 2

(cont'd; 4 of 10)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Funds			
	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>
ASSETS				
Pooled cash and investments	\$ -	\$ 1,658	\$ 4,662	\$ -
Receivables:				
Grant	8,775	-	-	995
Due from other funds	-	-	-	-
USDA commodities inventory	-	-	-	-
Total assets	<u>\$ 8,775</u>	<u>\$ 1,658</u>	<u>\$ 4,662</u>	<u>\$ 995</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 3,840	\$ 748	\$ -	\$ -
Accrued salaries	-	-	-	-
Due to other funds	<u>4,935</u>	<u>-</u>	<u>-</u>	<u>995</u>
Total liabilities	8,775	748	-	995
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>8,775</u>	<u>748</u>	<u>-</u>	<u>995</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	910	4,662	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>910</u>	<u>4,662</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 8,775</u>	<u>\$ 1,658</u>	<u>\$ 4,662</u>	<u>\$ 995</u>

(cont'd; 5 of 10)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Funds			
	Libraries GO Bond 2010 <u>Fund #27106</u>	Libraries GO Bond 2012 <u>Fund #27107</u>	Reads to Lead <u>Fund #27114</u>	Indian Education Act <u>Fund #27150</u>
ASSETS				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Grant	3,551	736	23,995	6,776
Due from other funds	-	-	-	-
USDA commodities inventory	-	-	-	-
	-----	-----	-----	-----
Total assets	<u>\$ 3,551</u>	<u>\$ 736</u>	<u>\$ 23,995</u>	<u>\$ 6,776</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-
Due to other funds	3,551	736	23,995	6,776
	-----	-----	-----	-----
Total liabilities	3,551	736	23,995	6,776
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
	-----	-----	-----	-----
Total liabilities and deferred inflows of resources	<u>3,551</u>	<u>736</u>	<u>23,995</u>	<u>6,776</u>
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	<u>\$ 3,551</u>	<u>\$ 736</u>	<u>\$ 23,995</u>	<u>\$ 6,776</u>

(cont'd; 6 of 10)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Funds			
	Beginning Teacher Mentoring <u>Fund #27154</u>	Breakfast for Elementary Students <u>Fund #27155</u>	K-Plus Initiative <u>Fund #27159</u>	Kindergarten 3- Plus <u>Fund #27166</u>
ASSETS				
Pooled cash and investments	\$ -	\$ 3,505	\$ -	\$ -
Receivables:				
Grant	-	-	-	29,920
Due from other funds	-	-	-	-
USDA commodities inventory	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 3,505</u>	<u>\$ -</u>	<u>\$ 29,920</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-
Due to other funds	-	-	-	29,920
Total liabilities	-	-	-	29,920
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Total liabilities and deferred inflows of resources	-	-	-	29,920
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	3,505	-	-
Capital projects funds	-	-	-	-
Total fund balance	-	3,505	-	-
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ -</u>	<u>\$ 3,505</u>	<u>\$ -</u>	<u>\$ 29,920</u>

(cont'd; 7 of 10)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Funds			
	STEM Teacher Initiative <u>Fund #27181</u>	New Mexico Grown <u>Fund #27183</u>	State Discretionary IDEA-B <u>Fund #27200</u>	Library Books <u>Fund #27549</u>
ASSETS				
Pooled cash and investments	\$ -	\$ 544	\$ 1,538	\$ -
Receivables:				
Grant	24,350	576	-	-
Due from other funds	-	-	469	-
USDA commodities inventory	-	-	-	-
Total assets	<u>\$ 24,350</u>	<u>\$ 1,120</u>	<u>\$ 2,007</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-
Due to other funds	<u>24,350</u>	<u>1,120</u>	<u>-</u>	<u>-</u>
Total liabilities	24,350	1,120	-	-
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>24,350</u>	<u>1,120</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	2,007	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>2,007</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 24,350</u>	<u>\$ 1,120</u>	<u>\$ 2,007</u>	<u>\$ -</u>

(cont'd; 8 of 10)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Funds		
	Child and Adult Care Food Program <u>Fund #28201</u>	No Kid Hungry <u>Fund #29102</u>	Total Non-Major Special Revenue <u>Funds</u>
ASSETS			
Pooled cash and investments	\$ -	\$ -	\$ 201,180
Receivables:			
Grant	1,136	915	160,748
Due from other funds	-	-	1,589
USDA commodities inventory	-	-	14,498
	-	-	14,498
Total assets	\$ 1,136	\$ 915	\$ 378,015
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 23,102
Accrued salaries	-	-	264
Due to other funds	1,136	915	138,458
	1,136	915	138,458
Total liabilities	1,136	915	161,824
Deferred inflows of resources:			
Advances of federal, state, and local grants	-	-	790
	-	-	790
Total liabilities and deferred inflows of resources	1,136	915	162,614
Fund balance:			
Non-spendable:			
Inventories	-	-	14,498
Restricted for:			
Special revenue funds	-	-	200,903
Capital projects funds	-	-	-
	-	-	-
Total fund balance	-	-	215,401
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,136	\$ 915	\$ 378,015

(cont'd; 9 of 10)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2014

	Capital Projects Funds			
	Special Capital Outlay - State <u>Fund #31400</u>	Public School Capital Outlay - 20% <u>Fund #32100</u>	Total Non-Major Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS				
Pooled cash and investments	\$ 62,967	\$ 1,170	\$ 64,137	\$ 265,317
Receivables:				
Grant	-	-	-	160,748
Due from other funds	-	-	-	1,589
USDA commodities inventory	-	-	-	14,498
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 62,967</u>	<u>\$ 1,170</u>	<u>\$ 64,137</u>	<u>\$ 442,152</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 23,102
Accrued salaries	-	-	-	264
Due to other funds	-	-	-	138,458
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	-	-	-	161,824
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	790
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and deferred inflows of resources	-	-	-	162,614
Fund balance:				
Non-spendable:				
Inventories	-	-	-	14,498
Restricted for:				
Special revenue funds	-	-	-	200,903
Capital projects funds	62,967	1,170	64,137	64,137
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	62,967	1,170	64,137	279,538
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 62,967</u>	<u>\$ 1,170</u>	<u>\$ 64,137</u>	<u>\$ 442,152</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2014

	Special Revenue Funds			
	<u>Food Service</u>	<u>Athletics</u>	<u>Title I</u>	<u>Preschool</u>
	<u>Fund #21000</u>	<u>Fund #22000</u>	<u>Fund #24101</u>	<u>IDEA-B</u>
				<u>Fund #24109</u>
Revenues:				
Federal sources:				
Public Law 874	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	110,617	3,484
Federal direct grants	-	-	-	-
Food and milk reimbursements	229,201	-	-	-
USDA Commodities	18,098	-	-	-
State sources:				
State grant	-	-	-	-
Local sources:				
Grant	-	-	-	-
Fees and activities	4,354	51,583	-	-
Miscellaneous	-	<u>252</u>	-	-
Total revenue	<u>251,653</u>	<u>51,835</u>	<u>110,617</u>	<u>3,484</u>
Expenditures:				
Current:				
Instruction	-	57,251	82,009	3,484
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	5,368	-
School Administration	-	-	23,240	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	260,576	-	-	-
Community Services	-	-	-	-
Total expenditures	<u>260,576</u>	<u>57,251</u>	<u>110,617</u>	<u>3,484</u>
Excess (deficiency) of revenues over expenditures	(8,923)	(5,416)	-	-
Other financing uses:				
Refunds	-	-	-	-
Net change in fund balance	(8,923)	(5,416)	-	-
Fund balance at beginning of the year	<u>58,356</u>	<u>30,197</u>	-	-
Fund balance at end of the year	<u>\$ 49,433</u>	<u>\$ 24,781</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, 2014

	Special Revenue Funds				
	Fresh Fruits and Vegetables <u>Fund #24118</u>	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:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	6,390	5,846	-	-	40,313
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenue	<u>6,390</u>	<u>5,846</u>	<u>-</u>	<u>-</u>	<u>40,313</u>
Expenditures:					
Current:					
Instruction	-	-	-	-	32,002
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	1,956
School Administration	-	-	-	-	6,355
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services Operations	6,390	-	-	-	-
Community Services	-	-	-	-	-
Total expenditures	<u>6,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,313</u>
Excess (deficiency) of revenues over expenditures	-	5,846	-	-	-
Other financing uses:					
Refunds	-	(5,846)	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(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, 2014

Special Revenue Funds

	Rural & Low- Income Schools Fund #24160	Impact Aid Special Education Fund #25145	Impact Aid Indian Education Fund #25147	Title XIX Medicaid Fund #25153	Child & Adult Food Program Fund #25171
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ 3,960	\$ 5,154	\$ -	\$ -
Federal flowthrough grants	296	-	-	-	-
Federal direct grants	-	-	-	50,471	367
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenue	<u>296</u>	<u>3,960</u>	<u>5,154</u>	<u>50,471</u>	<u>367</u>
Expenditures:					
Current:					
Instruction	-	-	29,252	1,384	-
Support Services:					
Students	-	-	-	68,187	-
Instruction	-	-	-	-	-
General Administration	-	-	-	1,912	-
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	195	-
Student Transportation	-	-	-	90	-
Food Services Operations	-	-	-	-	533
Community Services	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>29,252</u>	<u>71,768</u>	<u>533</u>
Excess (deficiency) of revenues over expenditures	296	3,960	(24,098)	(21,297)	(166)
Other financing uses:					
Refunds	<u>(296)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	3,960	(24,098)	(21,297)	(166)
Fund balance at beginning of the year	<u>-</u>	<u>13,599</u>	<u>47,908</u>	<u>110,029</u>	<u>166</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ 17,559</u>	<u>\$ 23,810</u>	<u>\$ 88,732</u>	<u>\$ -</u>

(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, 2014

Special Revenue Funds

	Indian Ed Formula Grant Fund #25184	Elementary School Counseling Fund #25215	LANL Foundation Fund #26113	Drawing from the Well Fund #26147	Dual Credit Instructional Materials Fund #27103
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	5,464	333,300	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	6,206
Local sources:					
Grant	-	-	29,217	-	-
Fees and activities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenue	<u>5,464</u>	<u>333,300</u>	<u>29,217</u>	<u>-</u>	<u>6,206</u>
Expenditures:					
Current:					
Instruction	5,197	24,560	55,867	-	6,206
Support Services:					
Students	-	236,613	-	-	-
Instruction	-	-	-	-	-
General Administration	-	15,686	-	-	-
School Administration	267	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	5,550	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	-	50,891	-	-	-
Total expenditures	<u>5,464</u>	<u>333,300</u>	<u>55,867</u>	<u>-</u>	<u>6,206</u>
Excess (deficiency) of revenues over expenditures	-	-	(26,650)	-	-
Other financing uses:					
Refunds	-	-	-	-	-
Net change in fund balance	-	-	(26,650)	-	-
Fund balance at beginning of the year	<u>2</u>	<u>-</u>	<u>27,560</u>	<u>4,662</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 910</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, 2014

Special Revenue Funds

	Libraries GO Bond 2010 <u>Fund #27106</u>	Libraries GO Bond 2012 <u>Fund #27107</u>	Reads to Lead <u>Fund #27114</u>	Indian Education Act <u>Fund #27150</u>	Beginning Teacher Mentoring <u>Fund #27154</u>
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	3,551	736	45,683	17,246	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenue	<u>3,551</u>	<u>736</u>	<u>45,683</u>	<u>17,246</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	-	-	45,683	17,246	-
Support Services:					
Students	-	-	-	-	-
Instruction	3,551	736	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	-	-	-	-	-
Total expenditures	<u>3,551</u>	<u>736</u>	<u>45,683</u>	<u>17,246</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Refunds	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
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, 2014

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>	STEM Teacher Initiative <u>Fund #27181</u>	New Mexico Grown <u>Fund #27183</u>
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	7,478	-	51,729	39,350	576
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenue	<u>7,478</u>	<u>-</u>	<u>51,729</u>	<u>39,350</u>	<u>576</u>
Expenditures:					
Current:					
Instruction	-	-	50,423	39,350	-
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	97	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	1,209	-	-
Food Services Operations	6,020	-	-	-	576
Community Services	-	-	-	-	-
Total expenditures	<u>6,020</u>	<u>-</u>	<u>51,729</u>	<u>39,350</u>	<u>576</u>
Excess (deficiency) of revenues over expenditures	1,458	-	-	-	-
Other financing uses:					
Refunds	-	-	-	-	-
Net change in fund balance	1,458	-	-	-	-
Fund balance at beginning of the year	<u>2,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 3,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(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, 2014

	Special Revenue Funds				Total Nonmajor Special Revenue Funds
	State Discretionary IDEA-B <u>Fund #27200</u>	Library Books <u>Fund #27549</u>	Child and Adult Care Food Program <u>Fund #28201</u>	No Kid Hungry <u>Fund #29102</u>	
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ 9,114
Federal flowthrough grants	-	-	-	-	166,946
Federal direct grants	-	-	-	-	389,602
Food and milk reimbursements	-	-	-	-	229,201
USDA Commodities	-	-	-	-	18,098
State sources:					
State grant	-	-	10,248	-	182,803
Local sources:					
Grant	-	-	-	1,394	30,611
Fees and activities	-	-	-	-	55,937
Miscellaneous	-	-	-	-	252
Total revenue	-	-	10,248	1,394	1,082,564
Expenditures:					
Current:					
Instruction	-	-	-	-	449,914
Support Services:					
Students	-	-	-	-	304,800
Instruction	-	-	-	-	4,287
General Administration	-	-	-	-	24,922
School Administration	-	-	-	-	29,959
Operation & Maintenance of Plant	-	-	-	-	195
Student Transportation	-	-	-	-	6,849
Food Services Operations	-	-	10,248	1,394	285,737
Community Services	-	-	-	-	50,891
Total expenditures	-	-	10,248	1,394	1,157,554
Excess (deficiency) of revenues over expenditures	-	-	-	-	(74,990)
Other financing uses:					
Refunds	-	(3)	-	-	(6,145)
Net change in fund balance	-	(3)	-	-	(81,135)
Fund balance at beginning of the year	2,007	3	-	-	296,536
Fund balance at end of the year	\$ 2,007	\$ -	\$ -	\$ -	\$ 215,401

(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, 2014

	<u>Capital Projects Funds</u>			
	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:				
Public Law 874	\$ -	\$ -	\$ -	\$ 9,114
Federal flowthrough grants	-	-	-	166,946
Federal direct grants	-	-	-	389,602
Food and milk reimbursements	-	-	-	229,201
USDA Commodities	-	-	-	18,098
State sources:				
State grant	23,176	-	23,176	205,979
Local sources:				
Grant	-	-	-	30,611
Fees and activities	-	-	-	55,937
Miscellaneous	-	-	-	<u>252</u>
Total revenue	<u>23,176</u>	<u>-</u>	<u>23,176</u>	<u>1,105,740</u>
Expenditures:				
Current:				
Instruction	-	-	-	449,914
Support Services:				
Students	-	-	-	304,800
Instruction	-	-	-	4,287
General Administration	-	-	-	24,922
School Administration	-	-	-	29,959
Operation & Maintenance of Plant	-	-	-	195
Student Transportation	-	-	-	6,849
Food Services Operations	-	-	-	285,737
Community Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,891</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,157,554</u>
Excess (deficiency) of revenues over expenditures	23,176	-	23,176	(51,814)
Other financing uses:				
Refunds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,145)</u>
Net change in fund balance	23,176	-	23,176	(57,959)
Fund balance at beginning of the year	<u>39,791</u>	<u>1,170</u>	<u>40,961</u>	<u>337,497</u>
Fund balance at end of the year	<u>\$ 62,967</u>	<u>\$ 1,170</u>	<u>\$ 64,137</u>	<u>\$ 279,538</u>

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BUDGETARY PRESENTATION

NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

FOOD SERVICE (Fund No. 21000)

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 2-4, 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 (Fund No. 22000)

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

TITLE I (Fund No. 24101)

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.

PRESCHOOL IDEA-B (Fund No. 24109)

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.

FRESH FRUITS AND VEGETABLES (Fund No. 24118)

To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2006. Authorization granted under National School Lunch Act, as amended, 42 U.S.C. 1769.

21ST CENTURY COMMUNITY LEARNING CENTERS (Fund No. 24119)

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" (Fund No. 24120)

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 (Fund No. 24153)

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 (Fund No. 24154)

To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in 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 (Fund No. 24160)

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, 2014

IMPACT AID SPECIAL/INDIAN EDUCATION (Fund 25145 & 25147)

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 (Fund No. 25153)

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, 103-14, 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 (Fund No. 25171)

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 (Fund No. 25184)

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 (Fund No. 25215)

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. Authorized through Elementary and Secondary Education Act of 1965 (ESEA), as amended, Title V, Part D, Subpart 1.

LANL FOUNDATION (Fund No. 26113)

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 (Fund No. 26147)

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 (Fund No. 27103)

To provide instructional materials to be used for a dual credit course approved by Higher Education Department (HED) and through a college/university for which the district has an approved agreement.

LIBRARIES GO BOND 2010 (Fund No. 27106)

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

LIBRARY GO BONDS 2012 (Fund No. 27107)

Funds to be used for library books and library resources for public school libraries statewide. Library resources include computers, software, projectors, televisions, other related hardware and software, shelving, desks, chairs, and book trucks/carts. Senate Bill 66, Laws of 2012, 2nd Session, Chapter 54, Section 10.B.(3).

NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

READS TO LEAD (Fund No. 27114)

Provides an aligned approach for districts and schools to ensure that children can read by the end of third grade—giving them essential skills for future career and college success. It also provides regional and district reading coaches, supports for intervention, and professional development for parents, teachers, reading coaches, and administrators.

INDIAN EDUCATION ACT (Fund No. 27150)

To increase academic achievement and provide culturally relevant learning experiences for American Indian students; to establish collaborative partnerships that engage active participation of American Indian parents, students, tribe(s), community-based organizations, universities, private sector and/or other entities who work with American Indian students; to establish a parent community advisory committee to participate in the development of an Indigenous curriculum framework and to profile Indigenous best practices.

BEGINNING TEACHER MENTORING (Fund No. 27154)

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 (Fund No. 27155)

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

K-PLUS INITIATIVE (Fund No. 27159)

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

KINDERGARTEN 3-PLUS (Fund No. 27166)

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.

STEM TEACHER INITIATIVE (Fund No. 27181)

The purpose of these funds is to provide a \$5,000 stipend per year to 125 highly effective STEM teachers to teach Science, Technology, Engineering, or Mathematics (grades 7-12) for two years to serve in hard to staff (low performing CD/F), rural, urban) schools.

NEW MEXICO GROWN (Fund No. 27183)

Funds under this award are to be used to purchase locally grown New Mexico fresh fruits and vegetables, to be made available at no charge to students. Funds have been received as appropriation through the General Appropriations Act to distribute to school districts and charter schools.

STATE DISCRETIONARY IDEA-B (Fund No. 27200)

To account for funds received from the New Mexico Public Education Department for the support and direct services, including technical assistance, preparation and professional development and training. To support capacity building activities and improve the delivery of services by local agencies to improve results for children with disabilities.

LIBRARY BOOKS (Fund No. 27549)

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

CHILD AND ADULT CARE FOOD PROGRAM (Fund No. 28201)

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 (Fund No. 29102)

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 217,275	\$ 217,275	\$ 209,534	\$ (7,741)
Local sources:				
Fees and activities	<u>3,500</u>	<u>3,500</u>	<u>4,354</u>	<u>854</u>
Total revenues	220,775	220,775	213,888	(6,887)
Expenditures:				
Current:				
Food Services Operations	<u>260,484</u>	<u>264,575</u>	<u>224,893</u>	<u>39,682</u>
Excess (deficiency) of revenues over expenditures	(39,709)	(43,800)	(11,005)	32,795
Beginning cash balance budgeted	39,709	43,800	-	(43,800)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>58,356</u>	<u>58,356</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	47,351	<u>\$ 47,351</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(3,269)	
Change in grant receivable			19,668	
Change in payables			<u>(14,317)</u>	
			<u>\$ 49,433</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Fees and activities	\$ 39,500	\$ 39,500	\$ 51,583	\$ 12,083
Miscellaneous	<u> -</u>	<u> -</u>	<u> 252</u>	<u> 252</u>
Total revenues	39,500	39,500	51,835	12,335
Expenditures:				
Current:				
Instruction	<u> 59,214</u>	<u> 70,413</u>	<u> 57,174</u>	<u> 13,239</u>
Excess (deficiency) of revenues over expenditures	(19,714)	(30,913)	(5,339)	25,574
Beginning cash balance budgeted	19,714	30,913	-	(30,913)
Fund balance at beginning of the year	<u> -</u>	<u> -</u>	<u> 30,197</u>	<u> 30,197</u>
Fund balance at end of the year	<u><u> -</u></u>	<u><u> -</u></u>	24,858	<u><u> 24,858</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u> (77)</u>	
			<u><u> 24,781</u></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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 116,747	\$ 129,555	\$ 117,998	\$ (11,557)
Expenditures:				
Current:				
Instruction	84,960	96,899	82,009	14,890
Support Services:				
General Administration	6,756	7,378	5,368	2,010
School Administration	25,031	25,278	23,240	2,038
Total expenditures	116,747	129,555	110,617	18,938
Excess of revenues over expenditures	-	-	7,381	7,381
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	7,381	\$ 7,381
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(7,381)	
			\$ -	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 8,372	\$ 2,701	\$ (5,671)
Expenditures:				
Current:				
Instruction	-	6,472	3,484	2,988
Support Services:				
Students	-	1,900	-	1,900
Total expenditures	-	8,372	3,484	4,888
Excess (deficiency) of revenues over expenditures	-	-	(783)	(783)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(783)	\$ (783)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			783	
			\$ -	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

FRESH FRUITS AND VEGETABLES FUND - NO. 24118
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 11,350	\$ 5,846	\$ (5,504)
 Expenditures:				
Current:				
Food Services Operations	-	11,350	6,199	5,151
 Excess (deficiency) of revenues over expenditures	-	-	(353)	(353)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(353)	<u>\$ (353)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			(191)	
Change in interfund loans			1,120	
Change in deferred revenue			<u>(576)</u>	
			<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, 2014

	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	-	-	-	-
Other financing uses:				
Refunds	-	-	(5,846)	(5,846)
Net change in fund balance	-	-	(5,846)	(5,846)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(5,846)	<u>\$ (5,846)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			5,846	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 953	\$ 464	\$ (489)
Expenditures:				
Current:				
Instruction	-	503	-	503
Support Services:				
Students	-	450	-	450
Total expenditures	-	953	-	953
Excess 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, 2014

	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	-	-	-	-
Other financing sources:				
Transfers in	-	-	2,408	2,408
Net change in fund balance	-	-	2,408	2,408
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,408	<u>\$ 2,408</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(2,408)	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 47,324	\$ 107,124	\$ 38,038	\$ (69,086)
Expenditures:				
Current:				
Instruction	40,587	90,387	32,002	58,385
Support Services:				
General Administration	2,737	2,737	1,956	781
School Administration	4,000	14,000	6,355	7,645
Total expenditures	47,324	107,124	40,313	66,811
Excess (deficiency) of revenues over expenditures	-	-	(2,275)	(2,275)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(2,275)	\$ (2,275)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			2,275	
			\$ -	

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, 2014

	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	-	-	-	-
Other financing uses:				
Refunds	-	-	(296)	(296)
Net change in fund balance	-	-	(296)	(296)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(296)	<u>\$ (296)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>296</u>	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Public Law 874	\$ -	\$ -	\$ 3,960	\$ 3,960
Expenditures:				
Current:				
Instruction	4,614	12,614	-	12,614
Support Services:				
School Administration	-	985	-	985
Total expenditures	4,614	13,599	-	13,599
Excess (deficiency) of revenues over expenditures	(4,614)	(13,599)	3,960	17,559
Beginning cash balance budgeted	4,614	13,599	-	(13,599)
Fund balance at beginning of the year	-	-	13,599	13,599
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	17,559	<u>\$ 17,559</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 17,559</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Public Law 874	\$ -	\$ -	\$ 5,154	\$ 5,154
Expenditures:				
Current:				
Instruction	45,730	41,930	29,252	12,678
Support Services:				
School Administration	-	5,978	-	5,978
Total expenditures	45,730	47,908	29,252	18,656
Excess (deficiency) of revenues over expenditures	(45,730)	(47,908)	(24,098)	23,810
Beginning cash balance budgeted	45,730	47,908	-	(47,908)
Fund balance at beginning of the year	-	-	47,908	47,908
Fund balance at end of the year	\$ -	\$ -	23,810	\$ 23,810
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ 23,810	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 35,000	\$ 35,000	\$ 50,471	\$ 15,471
Expenditures:				
Current:				
Instruction	5,700	5,700	1,384	4,316
Support Services:				
Students	74,991	77,790	68,186	9,604
General Administration	39,977	39,977	2,114	37,863
School Administration	200	200	-	200
Operation & Maintenance of Plant	400	597	195	402
Student Transportation	400	400	90	310
Capital outlay:				
Equipment	2,000	6,004	-	6,004
Total expenditures	130,668	130,668	71,969	58,699
Excess (deficiency) of revenues over expenditures	(95,668)	(95,668)	(21,498)	74,170
Beginning cash balance budgeted	95,668	95,668	-	(95,668)
Fund balance at beginning of the year	-	-	110,029	110,029
Fund balance at end of the year	\$ -	\$ -	88,531	\$ 88,531
RECONCILIATION TO GAAP BASIS:				
Change in payables			201	
			\$ 88,732	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 6,420	\$ 581	\$ (5,839)
 Expenditures:				
Current:				
Food Services Operations	-	6,420	533	5,887
Excess of revenues over expenditures	-	-	48	48
Fund balance at beginning of the year	-	-	166	166
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	214	<u>\$ 214</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			(214)	
			<u>\$ -</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 5,469	\$ 5,464	\$ (5)
Expenditures:				
Current:				
Instruction	-	5,200	5,197	3
Support Services:				
School Administration	-	269	267	2
Total expenditures	-	5,469	5,464	5
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	2	2
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2	<u>\$ 2</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 523,475	\$ 404,521	\$ 324,547	\$ (79,974)
Expenditures:				
Current:				
Instruction	28,652	25,962	24,560	1,402
Support Services:				
Students	362,565	280,924	232,794	48,130
General Administration	17,857	23,664	15,686	7,978
Student Transportation	12,132	6,417	5,550	867
Community Services Operations	102,269	67,554	50,891	16,663
Total expenditures	523,475	404,521	329,481	75,040
Excess (deficiency) of revenues over expenditures	-	-	(4,934)	(4,934)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(4,934)	\$ (4,934)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			8,753	
Change in payables			(3,819)	
			\$ -	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ 29,217	\$ 29,217	\$ -
Expenditures:				
Current:				
Instruction	<u>26,661</u>	<u>55,878</u>	<u>55,119</u>	<u>759</u>
Excess (deficiency) of revenues over expenditures	(26,661)	(26,661)	(25,902)	759
Beginning cash balance budgeted	26,661	26,661	-	(26,661)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>27,560</u>	<u>27,560</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>1,658</u>	<u><u>\$ 1,658</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(748)</u>	
			<u><u>\$ 910</u></u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	<u>4,662</u>	<u>4,662</u>	-	<u>4,662</u>
Excess (deficiency) of revenues over expenditures	(4,662)	(4,662)	-	4,662
Beginning cash balance budgeted	4,662	4,662	-	(4,662)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>4,662</u>	<u>4,662</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>4,662</u>	<u><u>\$ 4,662</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ 4,662</u></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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 6,206	\$ 5,599	\$ (607)
 Expenditures:				
Current:				
Instruction	-	6,206	6,206	-
 Excess (deficiency) of revenues over expenditures	-	-	(607)	(607)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(607)	<u>\$ (607)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>607</u>	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 3,556	\$ 3,556	\$ 1,044	\$ (2,512)
 Expenditures:				
Current:				
Support Services:				
Instruction	<u>3,556</u>	<u>3,556</u>	<u>3,551</u>	<u>5</u>
Excess (deficiency) of revenues over expenditures	-	-	(2,507)	(2,507)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(2,507)	<u>\$ (2,507)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>2,507</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

LIBRARIES GO BOND 2012 FUND - NO. 27107
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 9,548	\$ 9,548	\$ -	\$ (9,548)
 Expenditures:				
Current:				
Support Services:				
Instruction	<u>9,548</u>	<u>9,548</u>	<u>736</u>	<u>8,812</u>
Excess (deficiency) of revenues over expenditures	-	-	(736)	(736)
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>	(736)	<u>\$ (736)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>736</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

READS TO LEAD FUND - NO. 27114
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 45,684	\$ 21,688	\$ (23,996)
 Expenditures:				
Current:				
Instruction	-	45,684	45,683	1
Excess (deficiency) of revenues over expenditures	-	-	(23,995)	(23,995)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(23,995)	<u>\$ (23,995)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>23,995</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

INDIAN EDUCATION ACT FUND - NO. 27150
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 20,000	\$ 10,470	\$ (9,530)
 Expenditures:				
Current:				
Instruction	-	20,000	17,246	2,754
 Excess (deficiency) of revenues over expenditures	-	-	(6,776)	(6,776)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(6,776)	<u>\$ (6,776)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			6,776	
			<u>\$ -</u>	

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, 2014

	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	-	-	-	-
Other financing sources:				
Transfers in	-	-	1,472	1,472
Net change in fund balance	-	-	1,472	1,472
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,472	<u>\$ 1,472</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(1,472)	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 7,616	\$ 7,478	\$ (138)
 Expenditures:				
Current:				
Food Services Operations	-	7,616	6,020	1,596
Excess of revenues over expenditures	-	-	1,458	1,458
Fund balance at beginning of the year	-	-	2,047	2,047
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,505	<u>\$ 3,505</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 3,505</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, 2014

	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	-	-	-	-
Other financing sources:				
Transfers in	-	-	13,167	13,167
Net change in fund balance	-	-	13,167	13,167
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	13,167	<u>\$ 13,167</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(13,167)	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 42,751	\$ 71,227	\$ 36,610	\$ (34,617)
Expenditures:				
Current:				
Instruction	39,825	61,407	50,423	10,984
Support Services:				
Instruction	209	59	-	59
School Administration	2,717	8,327	97	8,230
Student Transportation	-	1,434	1,209	225
Total expenditures	42,751	71,227	51,729	19,498
Excess (deficiency) of revenues over expenditures	-	-	(15,119)	(15,119)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(15,119)	\$ (15,119)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			15,119	
			\$ -	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

STEM TEACHER INITIATIVE FUND - NO. 27181
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 40,000	\$ 15,000	\$ (25,000)
 Expenditures:				
Current:				
Instruction	-	40,000	39,350	650
 Excess (deficiency) of revenues over expenditures	-	-	(24,350)	(24,350)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(24,350)	<u>\$ (24,350)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>24,350</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NEW MEXICO GROWN FUND - NO. 27183
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 591	\$ 1,120	\$ 529
Expenditures:				
Current:				
Food Services Operations	-	591	576	15
Excess of revenues over expenditures	-	-	544	544
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	544	\$ 544
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			576	
Change in interfund loans			(1,120)	
			\$ -	

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, 2014

	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	-	-	2,007	2,007
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,007	<u>\$ 2,007</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<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, 2014

	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	-	-	-	-
Other financing uses:				
Transfers out	-	-	(3)	(3)
Net change in fund balance	-	-	(3)	(3)
Fund balance at beginning of the year	-	-	3	3
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

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 18,133	\$ 19,168	\$ 19,168	\$ -
 Expenditures:				
Current:				
Food Services Operations	<u>18,133</u>	<u>19,168</u>	<u>16,899</u>	<u>2,269</u>
Excess of revenues over expenditures	-	-	2,269	2,269
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,269	<u>\$ 2,269</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(8,921)	
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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ 5,424	\$ 5,424
 Expenditures:				
Current:				
Instruction	1,614	-	-	-
Food Services Operations	-	1,614	1,394	220
Excess (deficiency) of revenues over expenditures	(1,614)	(1,614)	4,030	5,644
Beginning cash balance budgeted	1,614	1,614	-	(1,614)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	4,030	\$ 4,030
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(4,030)	
			\$ -	

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CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2014

BOND BUILDING FUND (Fund No. 31100)

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 (Fund No. 31400)

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 (Fund No. 31700)

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% (Fund No. 32100)

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ 700	\$ 700	\$ 655	\$ (45)
Expenditures:				
Current:				
Support Services:				
Operation & Maintenance of Plant	225,000	691,000	200,172	490,828
Capital outlay:				
Land and improvements	90,000	470,000	170,445	299,555
Construction in progress	<u>706,316</u>	<u>1,450,235</u>	<u>409,713</u>	<u>1,040,522</u>
Total expenditures	<u>1,021,316</u>	<u>2,611,235</u>	<u>780,330</u>	<u>1,830,905</u>
Excess (deficiency) of revenues over expenditures	(1,020,616)	(2,610,535)	(779,675)	1,830,860
Other financing sources:				
County revenue bonds	<u>-</u>	<u>1,483,975</u>	<u>365,636</u>	<u>(1,118,339)</u>
Net change in fund balance	(1,020,616)	(1,126,560)	(414,039)	712,521
Beginning cash balance budgeted	1,020,616	1,126,560	-	(1,126,560)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,093,734</u>	<u>1,093,734</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>679,695</u>	<u>\$ 679,695</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>4,111</u>	
			<u>\$ 683,806</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 23,176	\$ 23,176
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	23,176	23,176
Fund balance at beginning of the year	-	-	39,791	39,791
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	62,967	<u>\$ 62,967</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 62,967</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 87,228	\$ 30,676	\$ (56,552)
Local sources:				
District school tax levy	<u>95,498</u>	<u>95,498</u>	<u>86,556</u>	<u>(8,942)</u>
Total revenues	<u>95,498</u>	<u>182,726</u>	<u>117,232</u>	<u>(65,494)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	-	1,300	865	435
Operation & Maintenance of Plant	295,498	164,206	93,410	70,796
Capital outlay:				
Equipment	-	245,363	-	245,363
Construction in progress	<u>113,257</u>	<u>58,817</u>	<u>410</u>	<u>58,407</u>
Total expenditures	<u>408,755</u>	<u>469,686</u>	<u>94,685</u>	<u>375,001</u>
Excess (deficiency) of revenues over expenditures	(313,257)	(286,960)	22,547	309,507
Beginning cash balance budgeted	313,257	286,960	-	(286,960)
Fund balance at beginning of the year	-	-	<u>285,337</u>	<u>285,337</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	307,884	<u>\$ 307,884</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(2,200)	
Change in due from other governments			1,492	
Change in payables			(28,850)	
Change in deferred property taxes			<u>5,043</u>	
			<u>\$ 283,369</u>	

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, 2014

	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, 2014

DEBT SERVICE FUND (Fund No. 41000)

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 179,903	\$ 179,903	\$ 186,250	\$ 6,347
 Expenditures:				
Current:				
Support Services:				
General Administration	1,799	1,863	1,862	1
Debt service:				
Principal retirement	90,000	90,000	90,000	-
Bond interest paid	89,903	89,903	89,903	-
Reserves	124,410	124,346	-	124,346
Total expenditures	306,112	306,112	181,765	124,347
Excess (deficiency) of revenues over expenditures	(126,209)	(126,209)	4,485	130,694
Beginning cash balance budgeted	126,209	126,209	-	(126,209)
Fund balance at beginning of the year	-	-	169,437	169,437
Fund balance at end of the year	\$ -	\$ -	173,922	\$ 173,922
 RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(142,542)	
Change in due from other governments			743	
Change in deferred property taxes			139,309	
			\$ 171,432	

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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, 2014

Activity		Balance			Balance
Fund	ASSETS	<u>June 30, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2014</u>
95000	Elementary School	\$ 40,021	\$ 18,425	16,898	\$ 41,548
96000	Junior High School	60,612	15,391	22,896	53,107
97000	Primeros Pasos Pre-K	<u>1,662</u>	<u>-</u>	<u>-</u>	<u>1,662</u>
	Pooled cash and investments	<u>\$ 102,295</u>	<u>\$ 33,816</u>	<u>\$ 39,794</u>	<u>\$ 96,317</u>
	 LIABILITIES				
	Deposits held for others	<u>\$ 102,295</u>	<u>\$ 33,816</u>	<u>\$ 39,794</u>	<u>\$ 96,317</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHEDULE OF PLEDGED COLLATERAL
 June 30, 2014

	<u>Centinel Bank</u>
Cash on deposit at June 30, 2014	\$ 3,037,111
Less FDIC coverage	<u>250,000</u>
Uninsured funds	<u>\$ 2,787,111</u>
50% collateral requirement	\$ 1,393,556
Pledged collateral	<u>1,562,495</u>
Excess (deficiency) of pledged collateral	<u>\$ 168,939</u>

Pledged collateral of financial institutions consists of the following at June 30, 2014

<u>Centinel Bank:</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
Taos Sch Dist	10/1/2015	87601UAC7	\$ 360,000
Farmington Sch Dist	9/1/2017	311441HN2	57,498
Pojoaque Sch Dist	8/1/2014	73085PAY5	29,997
Clovis Sch Dist	8/1/2025	1894145Q9	300,000
Questa Sch Dist	7/1/2017	74837KAE9	210,000
Jemez Sch Dist	8/1/2023	475868EG6	210,000
Ruidos Sch Dist	8/1/2020	781338ID1	125,000
Espanola Sch Dist	9/1/2025	29662RAW8	<u>270,000</u>
			<u>\$ 1,562,495</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

CASH RECONCILIATION
 June 30, 2014

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 521,252	\$ 4,791,909	\$ (4,214,419)	\$ (81,983)	\$ 1,016,759	\$ -	\$ 1,016,759
Transportation	61	265,089	(265,074)	2,203	2,279	-	2,279
Instructional Materials	9,285	24,660	(32,712)	-	1,233	-	1,233
Food Services	43,800	213,888	(224,892)	264	33,060	-	33,060
Athletics	30,913	51,583	(57,174)	252	25,574	-	25,574
Federal Flowthrough Funds	6,142	259,026	(278,107)	12,792	(147)	469 ⁽¹⁾	322
Federal Direct Funds	205,908	582,233	(656,236)	(1,588)	130,317	-	130,317
Local Grants	32,222	29,217	(55,119)	-	6,320	-	6,320
State Flowthrough Funds	4,057	99,009	(171,097)	74,087	6,056	(469) ⁽¹⁾	5,587
State Direct Funds	-	19,168	(16,899)	(2,269)	-	-	-
Local/State	-	5,424	(1,394)	(4,030)	-	-	-
Bond Building	1,126,560	366,291	(780,331)	-	712,520	-	712,520
Special Capital Outlay - State	39,791	23,176	-	-	62,967	-	62,967
Capital Improvements SB-9	286,960	117,231	(94,684)	-	309,507	-	309,507
Public School Capital Outlay - 20%	1,170	-	-	-	1,170	-	1,170
Debt Service	157,341	186,249	(181,765)	-	161,825	-	161,825
Agency Funds	-	-	-	-	-	96,317	96,317
Total	\$ 2,465,462	\$ 7,034,153	\$ (7,029,903)	\$ (272)	\$ 2,469,440	\$ 96,317	\$ 2,565,757

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	Adjustments to report:	
Operational	Checking - Interest	Centinel Bank	\$ 1,176,520	Agency funds	\$ 96,317
Payroll	Checking - Non-interest	Centinel Bank	378,480	Interfund loans ⁽¹⁾	-
High School	Checking - Non-interest	Centinel Bank	-		<u>\$ 96,317</u>
Activity	Checking - Non-interest	Centinel Bank	96,929		
Federal	Checking - Non-interest	Centinel Bank	125,356	Adjustments to cash:	
Bond Buidling	Checking - Interest	Centinel Bank	<u>1,256,771</u>	Bank Balance	\$ 3,037,111
			<u>\$ 3,034,056</u>	Cash on hand	25
				Outstanding deposits	268,554
POOL-4101	LGIP	State Treasurer	\$ 2,664	Outstanding checks	<u>(739,933)</u>
POOL-4102	Reserve	State Treasurer	<u>391</u>	Total adjustment to cash	<u>\$ 2,565,757</u>
Total			<u>\$ 3,055</u>		

COMPLIANCE SECTION

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

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

Schedule of Findings and Questioned Costs:
Summary of Auditor's Results
Financial Statement Findings
Federal Award Findings

Summary Schedule of Prior Year Audit Findings

Schedule of Expenditures of Federal Awards
Notes to the Schedule of Expenditures of Federal Awards

Required Disclosure

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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, 2014, 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 November 11, 2014.

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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. 2014-001, 2014-002, 2014-004, and 2014-006 through 2014-008.

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

Compliance and other matters

As part of obtaining reasonable assurance about whether Penasco Independent School District No. 4's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. We also noted certain other matters that are required to be reported pursuant to Government Auditing Standards paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 2014-001 through 2014-008.

Penasco Independent School District No. 4's Response to Findings

Penasco Independent School District No. 4 responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Penasco Independent School District No. 4's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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, New Mexico
November 11, 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

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, 2014. 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, 2014.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item SA2014-008, that we consider to be a significant deficiency.

Penasco Independent School District No. 4's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Penasco Independent School District No. 4's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, New Mexico
November 11, 2014

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2014

I. SUMMARY OF AUDIT RESULTS

	<u>Yes</u>	<u>No</u>	<u>Occurrences</u>
FINANCIAL STATEMENTS:			
Type of auditor's report issued: <u>Unmodified</u>			
Internal control over financial reporting:			
Material weakness(es) identified?	<u> </u>	<u> ✓ </u>	<u> - </u>
Significant Deficiency(ies) identified?	<u> ✓ </u>	<u> </u>	<u> 6 </u>
Noncompliance material to financial statements noted?	<u> </u>	<u> ✓ </u>	<u> - </u>
FEDERAL AWARDS:			
Internal control over major programs:			
Material weakness(es) identified?	<u> </u>	<u> ✓ </u>	<u> - </u>
Significant Deficiency(ies) identified?	<u> ✓ </u>	<u> </u>	<u> 1 </u>
Type of auditor's report issued on compliance with major programs: <u>Unmodified</u>			
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	<u> </u>	<u> ✓ </u>	<u> - </u>
The programs treated as major programs include:			
<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>		
Special Education Cluster	84.027 & 84.173		
Elementary School Counseling	84.215E		
The threshold for distinguishing types A and B programs: <u>\$300,000</u>			
Auditee qualified as low-risk auditee?	<u> ✓ </u>	<u> </u>	

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

II. FINDINGS RELATED TO FINANCIAL STATEMENTS

2014 – 001 CONTROLS OVER CAPITAL ASSETS

<u>Significant Deficiency?</u>	<u>Material Weakness?</u>	<u>Compliance or Other Matter?</u>
Yes	No	Yes
<p>Condition: Management does not have written policies and procedures for controlling the capital assets master file. There is not an approval process for making changes to the file. Additionally, there is not second person designated to monitor and maintain the master file in the event of illness or termination. Additionally, it was requested that the capital assets reports were be received by August 7, 2014 and management could not be provided until October 3, 2014.</p>		
<p>Criteria: NMAC 2.20.1.8A states “Agencies should implement systematic and well-documented methods for accounting for their fixed assets. A computerized system is recommended, with appropriate controls on access and authorization of transactions.” A system of internal controls should be in place to provide reasonable assurance that the objectives to external reporting and compliance with laws and regulations as recommended by COSO.</p>		
<p>Effect of condition: The capital asset master file is susceptible to unauthorized alterations, either intentional or accidental. The District is also at risk of not complying with laws and regulations in the event of an extended illness or other event that results in the position of maintaining the master file being vacated.</p>		
<p>Cause: Management has not approved and implemented an official system of controls for maintaining and reviewing the capital assets master file.</p>		
<p>Recommendation: An official system of controls over the capital assets master file should be developed, approved by the governing board, and implemented. The system should dictate the documenting and approval of changes to the master file. The system should also establish a regular monitoring of the master file to ensure it has not been altered and allows for consistent tracking and reporting.</p>		
<p>Management’s Response: The financial management system was experiencing some technical difficulties with the depreciation report. The issue has been resolved and training for new personnel has already taken place.</p>		

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

II. FINDINGS - FINANCIAL STATEMENTS AUDIT (cont'd)

2014 – 002 IMPROPER REVENUE RECOGNITION

<u>Significant Deficiency?</u>	<u>Material Weakness?</u>	<u>Compliance or Other Matter?</u>
Yes	No	Yes

Condition: Revenues in the amount of \$1,120 was intended for Fresh Fruits and Vegetables Special Revenue Fund (Fund No. 24118) but were recorded in New Mexico Grown Special Revenue Fund (Fund No. 27183).

Criteria: A system of controls is required to ensure the correct recording of fund revenues and expenditures.

Cause: The District does not have adequate controls in place to detect and correct recording errors relating to fund revenues.

Effect of condition: The lack of controls over recording and reporting of fund revenues could result in revenues in the individual funds thereby understating revenues in one fund and overstating revenues in another.

Recommendation: We recommend that a system of controls be put in place that will enable the reviewing of revenues on a periodic basis. As part of that system an approval process would be instrumental in catching errors if done prior to the posting of the revenues.

Management's Response: Business manager error in posting to incorrect vegetable fund. Direction has been given to business manager to correct as soon as possible..

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

II. FINDINGS - FINANCIAL STATEMENTS AUDIT (cont'd)

2014 – 003 RECORDS RETENTION AND STORAGE

<u>Significant Deficiency?</u>	<u>Material Weakness?</u>	<u>Compliance or Other Matter?</u>
No	No	Yes

Condition: During our fieldwork it was observed that there were many files lying around disorderly. It appeared that the files were not being used at that particular time. Also, during our testing of disbursements there were three files that could not be provided at the time of request. On June 16, 2014 we had requested 25 disbursements for testing. On June 27, 2014 there were 22 items provided for review. One of the three remaining files that were not provided was later located and given to us on July 23, 2014 and the remaining two items, which turned out to be voids, were not provided for until September 30, 2014.

Criteria: Organizations are required to have systematic control of all records from creation or receipt through processing, distribution, maintenance and retrieval, to their ultimate disposition, as per NMAC 1.15.4.

Effect of condition: The District may not be able to complete an audit of its finances due to unavailability of records because they have been misplaced or inappropriately filed. Documents may be lost or destroyed in the event of fire, flood, or other catastrophe.

Cause: District records are not being stored in an orderly filing system. The records are being left out after use instead of re-filed at the end of the day.

Recommendation: All employees should be made aware of the records retention requirements applicable to the District. All files should be placed in the locking filing system at the end of each day to ensure that the records are in safe storage and readily available when needed.

Management's Response: During the 2012-2013 school year preparation for 2013-2014 budget, the Penasco Independent School District Board of Education cut two Central Office positions and added detailed job duties to existing employees. During the 2013-2014 school year, the Board of Education allowed the district to fill one position. As such, much catch up in the form of training a new hire was completed and filing began immediately.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2014

II. FINDINGS - FINANCIAL STATEMENTS AUDIT (cont'd)

2014 – 004 UNAUTHORIZED TEMPORARY INTER-FUND LOANS

<u>Significant Deficiency?</u>	<u>Material Weakness?</u>	<u>Compliance or Other Matter?</u>
Yes	No	Yes

Condition: As of June 30, 2014, there was a fund that had overspent its cash balance and was pooled with other funds. There was also a fund that had another fund's cash recorded in it. This resulted in the funds borrowing from other funds without the approval of the local governing board. The funds that had unauthorized loans were as follows:

<u>Fund</u>	<u>Loan Amount</u>
Entitlement IDEA-B	\$ (469)
New Mexico Grown	(1,120)
	<u>\$ (1,589)</u>

Additionally, the District made loans from funds other than the Operational Fund. Those loans are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>
Fresh Fruits and Vegetables	\$ 1,120
State Discretionary IDEA-B	469
	<u>\$ 1,589</u>

Criteria: PSAB Supplement 7 states "Temporary transfers require local board approval only. Districts/charter schools may make a loan from the operational fund to another fund based on the maximum expected need during the year in order to minimize the cycles of board approval, making a loan and repaying it several times during the year, with a goal of having the loan repaid at year end." Internal control should exist to provide reasonable assurance that no disbursement is made that would result in a deficit cash balance within a fund. Cash from program specific revenues cannot be used to fund other programs without the proper approval of the awarding agency. The Board of Education is required to approve all inter-fund loans.

Cause: The state system requires that the federal funds should be spent before the schools get the money from the funding source, allowing the funding source to review and approve expenditures before reimbursement. The other cause was the school did not make the appropriate loan from the Operating Fund creating a deficit cash balance in the fund. Also, the school incorrectly recorded revenue for one fund in another fund thereby creating an interfund loan.

Effect of condition: The District is not following the procedures of PASB Supplement 7.

Recommendation: Management should develop a plan to monitor cash balances to insure that the General Fund can cover the reimbursement funds until reimbursements have been received. Requests for reimbursements should be monitored and followed up on to promote expedient processing.

Management's Response: On June 30, 2014 reconciliation for negative funds had taken place and loans to federal programs were processed. A late invoice was processed after this process to ensure the expenditure was in the correct fiscal year and a reimbursement could be requested. The reconciliation was not processed the second time to account for the added expenditure.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2014

II. FINDINGS - FINANCIAL STATEMENTS AUDIT (cont'd)

2014 – 005 STATE REPORTS

<u>Significant Deficiency?</u>	<u>Material Weakness?</u>	<u>Compliance or Other Matter?</u>
No	No	Yes

Condition: Amounts in the year-end “PED Cash Report” are not supported by the amounts in the general ledger. The ending cash balances for some of the fund groups was not the same as the balances on the general ledger. The differences are as follows:

<u>Fund/ Fund Group</u>	<u>Amount per General Ledger</u>	<u>Amount per PED Cash Report</u>	<u>Error</u>
Operational Fund	\$ 1,016,759	\$ 826,780	\$ 189,979
Transportation Fund	2,279	2,302	(23)
Food Service	33,060	33,067	(7)
Federal Indirect	(147)	71,519	(71,666)
Federal Direct	130,317	209,362	(79,045)
State Flowthrough	6,056	36,945	(30,889)
State Direct	-	3,404	(3,404)
Local/State	-	4,945	(4,945)
	<u>\$ 1,188,324</u>	<u>\$ 1,188,324</u>	<u>\$ -</u>

Criteria: School report balances should be taken directly from the general ledger to ensure the validity and reliability of the financial data per SAO Rule 2.2.2.12C(4)(b).

Effect of Condition: The District’s yearend reporting as submitted to the New Mexico Public Education Department give an inaccurate depiction of the District’s balances in the general ledger.

Cause: The use of data reports other than the general ledger to complete the school report causes imbalances between the school report and the general ledger. Amounts in other data reports may not always match the amounts in the general ledger.

Recommendation: The District should gain a better understanding of how to complete the yearend reports and establish a review process to ensure that the reports are accurate and reflect the general ledger amounts.

Management response: The final cash report for PED was changed for the last quarter in FY 13-14. The instructions were incorrect for the beginning cash balance. The report was off because of the loans to federal programs. All the numbers still balanced to zero because the loans were within the bank accounts. The bank reconciliations on the accounting system did balance out as well. It was the presentation of the beginning balance..

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2014

II. FINDINGS - FINANCIAL STATEMENTS AUDIT (cont'd)

2014 – 006 CONTROL OVER EMPLOYEE MASTER FILE

Significant Deficiency?
Yes

Material Weakness?
No

Compliance or Other Matter?
Yes

Condition: The District does not have adequate controls over the calculation of partial year employee contracts. One personnel file tested was for an employee that began working in March 2014 and we calculated that the contract should have been \$12,630 according to the approved pay schedules. The employee was initially given a contract for \$12,115 which was amended to \$27,298 in May 2014. This resulted in an overpayment of \$14,668 from the amount that we calculated.

Criteria: According to NMAC 6-20-2, “The local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP.”

Cause: Management does not have sufficient controls in place to provide a means of review over the finances of the District.

Effect of condition: The District has expended monies that were unnecessary due to calculation errors.

Recommendation: A written policy should be implemented that requires the all employee contracts and the employee master file be reviewed by a second person to ensure that the files are accurate and complete. The file should also be reviewed periodically throughout the year or when a file is changed due to pay change.

Management’s Response: Error was discovered the last week in June 2014. Repayment plan is in place and the Board of Education was notified in July 2014. The process currently in place allows for a check and balance verification of information between two different individuals in the office.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2014

II. FINDINGS - FINANCIAL STATEMENTS AUDIT (cont'd)

2014 – 007 LATE PAYMENT OF INVOICES

Significant Deficiency?
Yes

Material Weakness?
No

Compliance or Other Matter?
Yes

Condition: We tested thirty disbursements and found ten that were paid more than thirty days after the invoice date. The disbursements totaled \$71,544 and ranged from 32 days to 108 days past the invoice date averaging 56 days.

Criteria: Disbursement payments made in remittance for products and/or services received by the District should be made in a timely manner as part of sound accounting practices. Payment should be made within vendor terms or within thirty days of the invoice date.

Cause: The District does not have effective controls in place to insure that purchases are paid within a reasonable time.

Effect of condition: Late fees can be added to the cost of purchases made that are not paid for in a timely manner. Payment of such late fees is not an allowable cost under the guidelines established by the federal government.

Recommendation: A system should be implemented to insure that invoices are processed and paid within a period not to exceed thirty days from the invoice date. The system should allow for payment of invoices at least twice a month.

Management's Response: During the 2012-2013 school year preparation for 2013-2014 budget, the Penasco Independent School District Board of Education cut two Central Office positions and added detailed job duties to existing employees. During the 2013-2014 school year, the Board of Education allowed the district to fill one position. As such, much catch up in the form of training a new hire was completed. Superintendent reassigned accounts payable to another Central Office secretary as she noted this occurrence and took action as quickly as possible.

SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED JUNE 30, 2014

II. FINDINGS - FINANCIAL STATEMENTS AUDIT (cont'd)

2014 – 008 INACCURATE AND INCOMPLETE REPORTING OF FEDERAL EXPENDITURES

<u>Significant Deficiency?</u>	<u>Material Weakness?</u>	<u>Compliance or Other Matter?</u>
Yes	No	Yes

Condition: The Schedule of Expenditures of Federal Awards (SEFA) that was provided by for audit was inaccurate and incomplete. Adjustments were recorded and approved by District’s management for presentation in this report. The following expended federal awards were not included:

<u>Program</u>	<u>CFDA No.</u>	<u>Amount Expended</u>
Forest Reserve	10.670	\$ 24,300
USDA Commodities Program	10.550	18,098
Child and Adult Food Program	10.558	533
Gear Up	84.334	219,536
Elementary School Counseling	84.215E	333,300

The awards expended for Impact Aid Indian Education were in error by \$23,805, the amount expended in the Operational Fund.

Additionally, the following programs were in error as presented by management due to either the adjustments for prior year accounts payable and current year accounts payable or an unknown error:

<u>Program</u>	<u>CFDA No.</u>	<u>Expenditures of Awards</u>	
		<u>Amount Provided</u>	<u>Adjusted Amount</u>
Fresh Fruits and Vegetables	10.582	\$ 6,199	\$ 6,390
Title XIX Medicaid	93.778	72,253	71,768

Criteria: Circular A-133, subpart .300 Auditee Responsibilities, states in part: "The auditee shall: (a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity. (b) Maintain internal control over Federal programs that provides reasonable assurance..." Circular A-133, subpart .310 Financial Statements states in part: "(b) Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements... At a minimum, the schedule shall: 1. List individual Federal programs by Federal agency..., 2. For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included., 3. Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number..."

Cause: The District does not have adequate controls in place to track and report all federal programs received and expended.

Effect of condition: The determination of which major programs will be audited and the audit costs are affected by the accuracy of the SEFA at the time of audit. Failure to develop internal controls over reporting could jeopardize future federal funding and report its financial information inaccurately.

Recommendation: Management should develop written procedures for documenting and reporting the federal awards that are received and expended. The file should be updated immediately upon receiving a federal grant and the file should include all the information necessary to comply with Circular A-133. Management should contract the grantor agency to get any information that is not accompanied with the grant letter.

Management’s Response: A process will be put in place to ensure accurate reporting for next fiscal year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2014

III. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster (IDEA) CFDA No. 84.027 & 84.173

Elementary School Counseling CFDA No. 84.215E

Reporting

SA2014 – 008 INACCURATE AND INCOMPLETE REPORTING OF FEDERAL EXPENDITURES

<u>Significant Deficiency?</u>	<u>Material Weakness?</u>	<u>Compliance or Other Matter?</u>
Yes	No	Yes

Condition: The Schedule of Expenditures of Federal Awards (SEFA) that was provided by for audit was inaccurate and incomplete. Adjustments were recorded and approved by District’s management for presentation in this report. The following expended federal awards were not included:

<u>Program</u>	<u>CFDA No.</u>	<u>Amount Expended</u>
Forest Reserve	10.670	\$ 24,300
USDA Commodities Program	10.550	18,098
Child and Adult Food Program	10.558	533
Gear Up	84.334	219,536
Elementary School Counseling	84.215E	333,300

The awards expended for Impact Aid Indian Education were in error by \$23,805, the amount expended in the Operational Fund.

Additionally, the following programs were in error as presented by management due to either the adjustments for prior year accounts payable and current year accounts payable or an unknown error:

<u>Program</u>	<u>CFDA No.</u>	<u>Expenditures of Awards</u>	
		<u>Amount Provided</u>	<u>Adjusted Amount</u>
Fresh Fruits and Vegetables	10.582	\$ 6,199	\$ 6,390
Title XIX Medicaid	93.778	72,253	71,768

Criteria: Circular A-133, subpart .300 Auditee Responsibilities, states in part: "The auditee shall: (a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity. (b) Maintain internal control over Federal programs that provides reasonable assurance..." Circular A-133, subpart .310 Financial Statements states in part: "(b) Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements... At a minimum, the schedule shall: 1. List individual Federal programs by Federal agency..., 2. For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included., 3. Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number..."

Cause: The District does not have adequate controls in place to track and report all federal programs received and expended.

Effect of condition: The determination of which major programs will be audited and the audit costs are affected by the accuracy of the SEFA at the time of audit. Failure to develop internal controls over reporting could jeopardize future federal funding and report its financial information inaccurately.

Recommendation: Management should develop written procedures for documenting and reporting the federal awards that are received and expended. The file should be updated immediately upon receiving a federal grant and the file should include all the information necessary to comply with Circular A-133. Management should contract the grantor agency to get any information that is not accompanied with the grant letter.

Management’s Response: A process will be put in place to ensure accurate reporting for next fiscal year.

SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED JUNE 30, 2014

I. NOT RESOLVED

There were not any findings to be reported from the prior year.

II. RESOLVED

There were not any findings to be reported from the prior year.

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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, 2014

<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>24,300</u>
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition Cluster:</u>				
USDA National School Lunch Program	10.555	21000	171,070	
USDA School Breakfast Program	10.553	21000	<u>58,131</u>	
Total Child Nutrition Cluster				229,201
Fresh Fruits and Vegetables	10.582	24118		6,390
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		<u>18,098</u>
New Mexico Children, Youth, and Families:				
Child & Adult Food Program	10.558	25171		<u>533</u>
Subtotal Pass-Through Programs				<u>254,222</u>
Total U.S. Department of Agriculture				<u>278,522</u>
<u>U.S. Department of Education:</u>				
Direct Programs:				
Operational	84.041	11000		23,805
Impact Aid Indian Education	84.041	25147		29,252
Indian Ed Formula Grant	84.060	25184		5,464
Gear Up	84.334	25205		219,536
Elementary School Counseling	84.215E	25215		<u>333,300</u>
Subtotal Direct Programs				<u>\$ 611,357</u>

(cont'd; 1 of 2)

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2014

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education (continued):</u>				
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
Entitlement IDEA-B	84.027	24106	\$ 117,948	
Preschool IDEA-B	84.173	24109	<u>3,484</u>	
Total Special Education (IDEA) Cluster				121,432
Title I	84.010	24101		110,617
Title II Teacher Quality	84.367	24154		<u>40,313</u>
Subtotal Pass-Through Programs				<u>272,362</u>
Total U.S. Department of Education				<u>883,719</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>71,768</u>
Total Expenditures of Federal Awards				<u>\$ 1,234,009</u>

(2 of 2)

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

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 2014 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 2014 cash and non-cash expenditures to ensure coverage of at least 25% (LOW risk auditee) of federally granted funds. Actual coverage is approximately 37% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$1,224,505 and all non-cash expenditures amounted to \$18,098.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2014 Expenditure</u>
Cash assistance:	
Special Education (IDEA) Cluster	\$ 121,432
Elementary School Counseling	<u>333,300</u>
Total	<u>\$ 454,732</u>

There were not programs that were considered high risk Type A programs for the 2014 audit.

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

2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the Cooperative under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Cooperative, it is not intended to and does not present the financial position and changes in net position of the Cooperative. All federal programs considered active during the year ended June 30, 2014, are reflected on the Schedule. An active federal program is defined as a federal program for which there were receipts or disbursements of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year. The Schedule is prepared using the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Cooperative has met the qualifications for the respective grant. Grant revenues for the Food Donation Program are based upon commodities received, at amounts per standard price listing, published quarterly by the United States Department of Agriculture (the “USDA”). In addition, there is no federal insurance in effect during the year and loan or loan guarantee outstanding at year end.

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.

REQUIRED DISCLOSURES

Year Ended June 30, 2014

The financial statements were prepared by the independent public accountants.

An exit conference was held November 11, 2014, during which the audit findings were discussed. The exit conference was attended by the following individuals:

PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Audrey Dominguez	Vice-President, Board of Education
Elena Romero	Audit Committee
Darlene Ulibarri	Superintendent
Elizabeth Romero	Business Manager; Member, Audit Committee

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
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